PR19 Consultation Feedback

Monday 21st May

Prepared for Anglian Water
by incling  21.05.2018
Agenda for today

01 OVERALL CUSTOMER RESPONSE
And priority areas

02 OUTCOME AREAS
And customer reaction to targets

03 BILLING SCENARIOS
And customer view on deferring and leakage

04 FEEDBACK LOOP
What do customers still want to know?
Overall reactions

And customer priority areas
Customer expectations

Going into the consultation (and based on their current knowledge), customers expect to hear about and be reassured that AW is addressing some key areas.

**IMPACT ON CUSTOMERS**

- What will the bill impact be on them?
- How will AW be working towards educating the customer base on the need to reduce water usage?
- How will the metering for all be rolled out?
- What big innovations and changes might start to appear around the home around water re-use?

**BIG CHANGES AW IS MAKING**

- How is AW addressing leakage and being more efficient with water?
- How is AW addressing the need for greater network capacity in the future?
- How is AW working towards having a more positive impact on the environment?
- How is AW working with others to help reduce the cost impact on customers?

Hopefully AW are going to have education top of the list, as everybody is worried about high bills, reducing their usage and how to go about it.

**Tech Savvy**

I am most interested in being introduced in more detail to the positive ways Anglian Water is actively protecting the environment whilst saving customers money.

**Eco Economiser**
Do customers support your 5-year plan?
The short answer, is YES!

- **Reassured leakage / bursts investment is being addressed**, a top priority and concern for customers that impacts them both in terms of disruption, and overall cost to the business.

- Confident AW is incorporating greater **environmental protection**.

- Confident AW is addressing the **risks of droughts and flooding**.

- Accept that overall the **bill increases justify the additional future proofing** and safeguards for customers.
Overall, the process has reassured customers AW has thoroughly planned for the next 5 years
Customers have acknowledged that it is a balancing act

**BOUND BY REGULATION**
Acknowledge that AW is ultimately operating within the confines of what they can and must do.

**BALANCING PROFIT WITH FAIRNESS**
Understand that AW has a duty to balance the books fairly so that customers don’t consistently pay more towards greater shareholder profits.

**RESOURCE PRESSURE**
Customers are informed about the pressures of additional growth and potentially less water that will require both infrastructure improvements as well as great efficiencies.

I feel that I have learnt an awful lot about AW, the challenges it has now and in the future and the ways / options it has to go forward. This also helps me to understand why bills must go up and where the money is being spent so as a communication exercise for me it provided greater depth of knowledge.

Comfortable & caring

With pressure from Government, and from Ofwat, AW needs to demonstrate it is providing decent service without overcharging to pay ‘Fat Cats’.

Tech Savvy
The process has highlighted that perhaps AW has the impossible challenge of never being able to please everyone.
What were some positives?

A few specific elements of the plan stood out as being particularly exciting – big changes that have the potential to impact on AW's business and customers

**ADVANCED METERING**
Suggests a shift towards more compulsory metering and greater access to data (for them and AW) to make more informed decisions around water usage

**WATER GRID**
A shift towards working with other water companies and greater sharing meets customer expectation as a solution

**BATHING WATERS**
An increase in waterbodies that will achieve better water quality feels like a direct benefit to them (with potential for leisure enjoyment of these)
Choice areas

Where there is a choice around prioritising investment, customers place most importance on areas that impact on water-waste, on them and the environment.

**Most Important**
- **Burst water mains / sewer flooding & collapse**

**Important But Expected**
- **Treatment compliance**

**Least Important**
- **Low pressure & asset outages**

**Less Waste & Disruption**
A top priority and concern for customers that they feel impact them both in terms of disruption, and cost.

**Important But Expected**
Ensuring water is safe is an expected aspect of what AW should be doing – customers trust AW to determine the appropriate level of action based on identified risk.

**Less Impact On Them**
Aspects that feel lower risk and have minimal customer impact are less of a priority.

I think sewage leakage is a health hazard so needs to be dealt with as quickly as possible. The treatment works meeting EA targets is nowhere near as important as the rest, unless this is someone putting something really poisonous in the supply.

**Comfortable & Caring**
Audience differences

Certain customer groups place greater importance on certain areas, while others are more challenging of where money is going.

Water consumption can only be reduced so far. We all need a certain volume of water per day. However, giving customers tips on how to minimise consumption should continue.

Family First

I feel water bills are already exorbitant and I have not seen enough evidence in previous posts here to warrant any increases. The improvement offered are things that AW should be doing as a business - i.e. paid for out of its profits not by increasing consumer bills. You can’t just pass everything on to us and expect us to accept it!

Protective Provincial

I believe the ideals as stated in the plan are commendable, but what really annoys me is the fact that so much of the proposed extra cash is to be allocated to smart meters. This money would be much better spent on improving the infrastructure rather than lining the pockets of the meter manufacturers.

Comfortable & Caring
Audience differences

Certain customer groups place greater importance on certain areas, while others are more challenging of where money is going

**Family First & Tech Savvy**

Customer groups that are younger, working, and with young children are more interested in how AW will be supporting them in the future. More interest and support around:

- Education programs that will help them and their children use less water and be more sensitive to the environment (e.g. plastics, fatbergs etc.)
- Metering that may help them change their behaviour
- Initiatives that will help them save water and money
- Innovations and improvements in the water recycling and re-use space

**Protective Provincial & Careful Budgeter**

Most vocal about customers having to ‘foot the bill’ and interested in hearing how AW are making efficiencies to ease the financial impact on customers

**Comfortable & Caring & Eco Economiser**

More overtly interested about the impact on the environment and their local area, while being more critical around the notion of having to pay towards aspects that aren’t ‘core’ water functions:

- What environmental actions are being taken
- What efficiencies and improvements are being made
- More critical of customers having to pay towards initiatives that they don’t feel will impact them (e.g. smart meters)
For your biggest group of customers, they just really want to be given the tools to know what to do...
Outcome areas

And customer reactions to targets
Performance areas reassure that across all areas improvements are being made

SAFEGUARDING CUSTOMERS
- Full compliance with water quality and safety
- Anglian Water will continue to provide water in a drought

NETWORK IMPROVEMENTS
- Aims around continued improvements to fix and improve network issues
- Largely aiming to fix more leaks, bursts and pollution incidents

NEW ENVIRONMENTAL AMBITIONS
- Bathing waters, WINEP and Natural Capital all feel like improvements towards a more sustainable and conscious relationship with the environment

It seems you have a culture of continuous improvement in most of your activities. This is good and speaks volumes about the quality of your management and strategy.

Comfortable & Caring
The key things customers question are more around the decision making process

Assessing the level of ambition

• Customers didn’t always feel like they had expert enough knowledge to determine whether a particular ambition was ‘stretching’
• The notion of a ‘deadband’ that acts as a buffer sometimes was interpreted as a reason not to need to meet the target

Creates questions they didn’t know they had

• Being introduced to very specific and technical aspects of AW’s business can result in customers feeling like they need to know even more (e.g. if water abstraction will be reduced, when and where will it increase?)

Predicting the future

• There seems to be a contradiction between less overall rainfall yet increased intensive periods of rainfall, yet working towards less incidents across all sewerage network. The big question is how will this be achieved and is enough capacity being introduced?

I like the target but don’t understand how more risk of ‘peak rainfall intensity’ leads to a performance level that says there will be less incidents. The big question is How?

Protective Provincial
How vulnerable customers are supported resonates with many...
Vulnerability in focus

The plan to support vulnerable customers is largely supported and reassures customers that AW are committed to back initiatives that support others.

**SURFACING SUPPORT IS KEY**

- Customers point to the barriers that vulnerable customers will have in accessing and being informed about support (i.e. no access to internet, inability to access internet etc.). Therefore the notion of working with organisations and to help customers become more aware of the help in the first place feels like a priority.

I think that promoting support is the key to making it all work. Like most things, there is a lot of support available but people are just unaware of it.

*Tech Savvy*

**IDENTIFYING IS THE CHALLENGE**

- Customers acknowledge that the big challenge is identifying those who classify as vulnerable, with not all necessarily knowing or wanting to identify as such. A multi pronged approach that uses data, a central register and partners with other organisation to identify those in needs feels like an effective way to addressing the challenge.

I was particularly impressed with the ideas of using data to identify possible vulnerable customers, as sometimes those in most need either don't realise the challenges, or are the sort of people who would not make a fuss.

*Tech Savvy*

**FLEXIBILITY IS KEY**

- Acknowledging that not all vulnerable customers have the same support needs and adjusting the type of support (e.g. whether financial, practical or educational) to each person is key to having a positive and helpful impact.

A recent boiler failure in the cold weather - advice from gas company 'Keep warm and give plenty of hot drinks' - not the most practical advice for a kidney patient with a liquid allowance of 500mls per day. :-((

*Tech Savvy*
# Vulnerability in focus

## However some customers do question some aspects of the plan

### Focusing on a Number
One of the main areas that customers do question is the notion that not all 'vulnerable' customers have been identified and that the plan seems to set an arbitrary number of customers to have on the 'list', rather than aiming to identify all customers who may need support.

If there are 1,000 vulnerable customers, then all 1,000 should be helped. I don't think you can judge performance on the numbers helped and I think that it is wrong to penalise or reward on the basis of the number helped.

**Tech Savvy**

### A Noble Cause
There is some resistance to the idea of a company being incentivised based on good performance in an area that should be part of providing good service. The notion of being rewarded/penalised on an arbitrary target of vulnerable customers doesn't feel fair or logical.

Why is it necessary for such a worthwhile endeavor to be subject to incentives? I would have thought it was part and parcel of providing a good service and only in extreme cases would monetary penalties or 'outperformance payments' be needed.

**Eco Economiser**

### Drawing a Line
Some customers don't support the idea of concessionary tariffs and draw the line at giving vulnerable customers financial flexibility, which is largely seen to cross over into the role of government – efforts from AW should be more about helping those in need claim benefits / schemes they are entitled to.

I am not sure that concessionary tariffs would be acceptable to everyone - we should all live within our means and even vulnerable people have to learn the hard facts of life. Being flexible on different payment plans, schedules and helping people to maximise their income benefits would be far more acceptable to the majority.

**Tech Savvy**
The right priority. Maintaining water quality is an essential ambition; highly resonant across customers. A core concern that the target addresses.

Collaboration appeals. Aiming to achieve 0 failure commitment by working closely with farmers, businesses, and stakeholders feels like a good approach that is more proactive than treatment alone.

I am happy with this target and do feel AW is moving in the right direction. They have acknowledged farmer use of pesticides and work closely with farmers to reduce the risk of pollutants. This is remarkable planning.

Comfortable & Caring

Water sampling should be carried out on all areas and should be 100%.

Tech Savvy

Questions or concerns...

- Customers want to see a clear link between some of the successful initiatives i.e. help customers make the link between the specific programmes such a Slug It Out ands the progress that has made.
- Trusting farmers. A minority do question how much industry can be relied upon and therefore whether it is overly ambitious (although the deadband is likely to have included room for this).

I like the idea mooted in previous Love Every Drop information that AW can work with farmers to encourage different ways of working, with less pesticides and fertilisers to leach into the waterways and water supply.

Protective Provincial

Is this where you are helping farmers use other chemicals?

Tech Savvy

Some aspects you have limited control over, polluters don’t usually ask for permission!

Protective Provincial
WATER SUPPLY INTERRUPTION AIM:
To reduce water supply interruption times

Outcome: Delighted customers

This is regarding planned or unplanned interruptions to your water supply for periods of three or more hours. Ofwat requires that we use comparative information to set our performance commitment level based on a forecast of the service.

Our proposed performance commitment level:

1. By 2020 we expect our performance to be an average of 12 mins (per customer per year*), based on meeting our current performance commitment level.
2. We are proposing a performance commitment level of 5 minutes and 24 seconds per customer per year by 2025. This is based on our forecast of how the top performing 25% of companies will improve between now and 2025.
3. The performance commitment level is stretching as it would more than halve the level of performance we expect to deliver by 2020 and is a level of performance beyond what we have delivered in the past.

*Note: this is calculated as the total duration of 3+ hour interruptions, divided by the total number of customers a water company has. This helps create a more representative measure for all companies based on their geographic coverage and number of companies.

Customers support...

✓ Resounding approval. Substantial supply interruptions are something people feel passionately about, and so efforts to reduce these are met with widespread approval.
✓ Supports perceptions of AW already having good performance around disruption times.
✓ Recognising the challenge. Customers comprehend how much of an improvement this could be, and recognise it will likely be a challenge, but one that’s worthwhile.

Protective Provincial

Good that AW is aiming to do over twice as well as 2020.

Family First

Seems an enormous improvement - hope it is achievable.

Family First

All companies should strive to delight their customers.

Protective Provincial

Questions or concerns...

• ‘Top 25% of water companies’ is seen as being potentially misleading, with most customers unsure of how many companies there are to begin with and whether this would impact on their average.
• The ‘12 minute’ goal was largely understood, but customers caution this should always be explained as it can seem off-putting on first glance.
• Are the aims achievable? Given the performance goals are described as ‘stretching’ people sometimes question how achievable they are.

Family First

You may need to explain clearly the metric if you have been without water for 24 hours and see the 12 minutes you would be furious?

Tech Savvy

Probably will prove too ambitious based on recent performance.

Family First

Can the figures be skewed by having more customers in its area?

Family First
Risk of severe restrictions in a drought

Outcome: Resilient Business

Short definition
During exceptionally dry periods temporary customers may experience restrictions to their water usage and/or supply. For example the imposition of hosepipe bans or in more extreme cases the use of standpipes and interruptions to supply. This measure looks at the percentage of our customers at risk of these restrictions once every 200 years.

Setting a performance commitment level

To set this performance commitment level we have looked at our historic performance and also our long term plans.

A key part of our 25 year ‘water resources management plan’ is to improve the resilience of our business. Part of this planning process analysed the risks to our ability to supply water to our customers and identified investments to reduce those risks.

We have used the investments identified in our new 25 year water plan to set the performance commitment level for this measure.

Our proposed performance commitment level:

1. Based on our long term plans, we propose to reduce the population at risk of severe restrictions to 0% by 2025 as an absolute measure.

2. The metric is calculated on a 25 year average basis so reporting against the performance commitment will show a gradual decrease to 0%.

3. This is a stretching performance commitment and represents the maximum possible level of performance.

Customers support...

- 0% target is what customers want. Eliminating severe restrictions is applauded for being a bold ambition that addresses and safeguards customers against water cuts.

- It feels like an improvement in service in the future and considers the needs of customers.

Questions or concerns...

- How it will be done? Some do question whether an absolute zero aim can be predicted when water levels may not be known.

- There may be a need to reassure on HOW this will be achieved so that it feels logical to customers – is it tied to increases in water capacity where extra water is being stored specifically during the summer months?

Questions or concerns...

- A good target and would help achieve a loyal customer following so long as they could see improvements happening.

- I am just not sure this is possible, who knows how much water will be available in years to come, we cant predict the weather

- Is it necessary to aim for zero risk - few other services would attempt this degree of security?
Unplanned outage

Outcome: Investing for tomorrow

Short definition

Sometimes water treatment works are not able to perform at the capacity for which they were designed. In most instances customers are not affected by this reduction in capacity. However, they are measured against these instances to provide a picture of the long term resilience of water treatment works.

Setting a performance commitment level & our proposed performance commitment level

1. This is a new measure, so there is limited information available on our past performance or those of other water companies.
2. We are undertaking a significant piece of work to understand our current performance and our proposal is to maintain our current level of performance in the next AMP.

Customers support...

- Customers informed and reassured around impact on them. Easy to understand and customer-friendly language strongly resonates. Customers feel reassured that Anglian Water are doing all they can to minimise the impact felt by customers in these instances.
- Accept that AW are continuing to build their understanding of disruptions and ultimately reducing the impact on customers through more research.

Questions or concerns...

- Lack of data seems difficult to understand; customer question why there isn’t any data from previous years that could be used to inform a baseline to improve from, or why zero isn’t the aim?
- ‘Maintaining’ current level can be interpreted as ‘standing still’ with not aim of improvements – there may be a need to reassure customers about the minimal impact/risk to them.

- Sounds like standing still. Perhaps consider maintaining and improve on current performance levels.
- Fine, not bothered since you said it probably won’t impact me! But really this doesn’t interest me much. You’re just going to maintain a level of performance you don’t know much about!
- Should not the performance commitment level be 0% chance of outage?
**Total mains bursts**

**Outcome:** Investing for tomorrow

**Short definition**
The total number of mains bursts per 1,000 km of pipes.

**Setting a performance commitment level**
There is limited good comparative data as companies currently report their performance on an inconsistent basis. We have considered our own historic performance and what continued improvement would entail for setting the performance commitment level. Cost benefit analysis is difficult to undertake as we do not have good data on the value that customers place on asset health measures.

**Our proposed performance commitment level**
1. Based on a forward forecast of our improving performance over the last five years, we propose a PCL of 4,720 bursts by 2025.
2. Since 2000 our average number of bursts has been 5,093 each year. Weather conditions, particularly long periods of sub-zero temperatures, mean that there are large variations can vary depending on weather conditions.
3. We estimate that we will have approximately 4,800 bursts in 2020.
4. Our PCL is the equivalent of a level of mains replacement that is greater than the current industry average.
5. This is a stretching performance commitment level. Our focus on reducing leakage means that we actively seek to find and fix leaks and bursts mains. Reducing leakage is one of our top priorities and one of the best ways to reduce leakage is finding and fixing burst mains. Any leaks we find from burst mains (which can be small cracks) will count against this measure and worsen our performance.
6. This performance commitment is also influenced by external factors, including the weather. The recent cold weather has caused new failures. As newer pipework goes in you should get fewer failures, much of the existing pipework is ancient. Our proposed deadband is 4,952 bursts for 2025.

**Customers support...**

- Active vs reactive. The notion of actively seeking out problem areas reassures and aligns with customer expectations that AW shouldn’t adopt a ‘wait and see’ approach.
- Reassures around known risk. Reassures customers that AW is proactively addressing the needs of a deteriorating network that is in need of investment.
- A target that feels like an improvement.

**Good - proactively seeking possible leakage problems, rather than just waiting for them to happen.**

**Protective Provincial**

**I particularly agree it is difficult to predict leaks but the roll out of new infrastructure will decrease this in the future.**

**Careful Budgeter**

**You need to be proactive rather than reactive. As newer pipework goes in you should get fewer failures, much of the existing pipework is ancient.**

**Comfortable & Caring**

**Questions or concerns...**

- 2020-2025 jump feels small. In context of the shift from 5,093 to 4,800 in 2020, the target of 4,720 by 2025 doesn’t feel as ambitious.
- Inconsistency in the industry. A lack of a consistent method that is implemented feels counterintuitive to customers.
- Customers acknowledge that weather is a variable factor, but also question whether therefore this isn’t something that can be planned for in advance during cold months?

**AW’s improvement in PCL may well be greater than the current industry average and I applaud that. But it isn’t clear HOW AW will reduce the PCL. And is it sufficient to just repair the existing pipework? Or should those ancient, frequently bursting pipes be totally replaced with better ones that are less likely to burst in the future?**

**Protective Provincial**

**Can the water industry not agree to a consistent measure?**

**Careful Budgeter**

**This is difficult to predict, need to come up with some investment in coming up with effective ways to stop this happening in the 1st place and be frost/cold avoidable.**

**Tech Savvy**
Leakage

Outcome: Supply meets demand

Short definition

This measure looks at our performance in reducing leakage across the network – both on our pipes but also those on customers' premises. Performance is measured on the volume of water lost.

Setting a performance commitment level

Reducing leakage is vital for us, given the expected population growth and dry nature of our region (we get two thirds the UK average). We are currently the best company in the UK for reducing leakage. This means that the usual ways of setting a performance commitment level, are less relevant. PCLs based on our historic performance, the industry’s performance or cost benefit analysis are not stretching enough.

Our 25 year ‘water resources management plan’ includes ambitious reductions in leakage. We are proposing to set a PCL based on a 15% reduction in the performance of the top performing (upper quartile) companies in the UK. Our current regulatory target is to get leakage down to 192 Ml/d by 2020. We have our own target to get down to 172 Ml/d by 2020.

Our proposed performance commitment level

1. Based on a forecast improvement in the best companies in the UK, our proposed PCL is 166 Ml/d.
2. This is stretching – as the best company in the UK there are no 'how-to' guides to cut leakage further. This also means the costs of further reductions are harder to predict.
3. Our proposal will see us continue to be the best company in the country on water leaks. We don’t think it’s fair for us to be penalised while being the best company in the country – we propose a ‘deadband’ set at the level of leakage we have in 2020.
4. Achieving this reduction in leakage is underpinned by our plans to roll out advanced meters to our customers.

Ambition delights. Setting ambitious leak targets taps into customer expectations around not settling for average and continuing to improve leakages.

Industry leading leakage rates is something to be proud of - continue to communicate this!

The notion of introducing more smart data to AW’s and customers’ understanding of usage feels like a step in the right direction.

It is good to hear that AW is striving for even better results!

Smiley face, well done keep it up!

This is where all money should be spent, these would enable you to see leakages quicker by having up to date info from individual areas, and will create better and faster planning. This would also be good if companies were also given smart meters

Questions or concerns...

• How will 'advanced metering' help detect leaks? Not all could make the link between what 'advanced metering' would be and how it would help identify leaks? How is the data shared? Is this going to be smart meters?

• Comparing to others feels like an 'excuse' not to be ambitious. There is a feeling that regardless of what other's are doing, AW should maintain its eyes on being continually ambitious around leaks.

AW needs to set its' own standards, even if they are much higher than its' peers.

I don't understand how advanced meters for customers would help to spot water leakages? I would have thought that most water leakages occur in clean water pipework and sewage pipes not in but outside of your customers properties.

Tech Savvy

Eco Economiser

Protective Provincial

Protective Provincial

Protective Provincial
TREATMENT WORKS COMPLIANCE AIM:
To meet the Environmental Agency target of 99% compliance around treatment work

Outcome: Investing for tomorrow

The Environment Agency (EA) monitors Anglian Water’s performance at its water and wastewater treatment works. **Anglian Water needs to comply with the consents** given by the EA. There are rare occasions where they might fail to comply – this could be due to a failure on-site or a trader accidentally putting something into the water supply or wastewater system.

The Environment Agency assess company performance in this area through the environmental Performance Assessment. Achieving ‘green’ status requires 99% compliance.

Our proposed performance commitment level:
1. We are proposing a performance **commitment level of 99% compliance for this measure**, based on the EA’s green assessment.
2. We are proposing a ‘buffer’ of 98.6% for this measure. This is based on a 50% reduction in the existing buffer zone.
3. Our performance can be influenced by the weather. By setting a level of performance of 99% and a lower buffer than existing currently, we are setting ourselves a stretching level of performance.

Customers support...
✓ A green light. By and large, customers support this initiative and are pleased to learn this is standardised and largely complied with to ensure water quality and safety

✓ Anticipating problems. Some customers were more understanding about weather related complication, but appreciate the foresight that this needs to be built in.

Yes- go for green every time!
Protective Provincial

I feel that AW have this under general control, feel that AW don’t need a buffer at all.
Tech Savvy

Yes, presumably things like unexpected heavy flooding rain can cause a treatment system failure, but trying to foresee possible weak areas can help.
Protective Provincial

Questions or concerns...
• Almost perfect. The only negative response to this initiative was that it’s aims are to meet the minimum target and no additional actions beyond this (e.g. working towards faster remedial action if a non-compliance happens). While a minority weren’t sure why there could be a buffer of 98.6% if 99% was ‘requirement’ from the EA.

• Some customers raised questions around how the severity of non-compliance is measured, and what systems are in place around traders?
**REACTIVE MAINS BURSTS AIM:**
To set AW’s best ever historical performance around mains bursts as the new target level

**Outcome:** Investing for tomorrow

This aim relates to the number of reactive mains bursts per thousand kilometres of total length of mains. Reactive bursts are those identified by the public or third parties. Bursts that we have not identified can cause more disruption and lost water.

**Our proposed performance commitment level:**
1. Our best ever performance for this measure is 3,063 bursts (per thousand kilometre) and this is our proposed commitment level. Last year we had 3,363 bursts.
2. This is a stretching level of performance, as the numbers of burst mains can be affected by the weather. We are expecting to report a significant increase in this measure following the recent cold weather. Due to this weather link, we are proposing a buffer based on our historic average performance, which is 4,197.

**Customers support...**
- A credible commitment. Customers feel reassured that AW are committed to investing in old pipes feel that AW sees this as a ‘main’ priority.
- Best ever historical performance: Feels exciting, and with this target feeling more relatable, customers support the need to put energy into mains longevity and structure.
- Accept that weather may impact on performance.

**Questions or concerns...**
- Preventative rather than remedial? Some question whether a preventative strategy rather than reacting and fixing mains, is a better way forward... Or whether this is even possible?
- Some do question the relationship between a ‘stretching level’ but then having a fairly large deadband buffer.
**SINGLE SUPPLY AIM:**
To reduce the % of population supplied by a single supply system

**Outcome:** Resilient business

Some customers are connected to only one water treatment works. Because there are no alternative sources for these customers, these customers face an increased chance of an interruption to their water supply should something go wrong with the water treatment works them. This performance commitment measures the percentage of our customers that are supplied by a single system.

**Our proposed performance commitment level:**

1. In 2015 we had 46.9% of the population on a single system:
   - By 2020 we aim to have that down to 24.7%
   - By 2025 we aim to have that down to 15.5%
   - By 2035 we aim to have this down to 0%

2. We believe this is stretching but also balances cost and affordability of customer bills and believe the service customers receive is more important than the numbers on a single system.

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**Customers support...**

✓ A good idea. People see the logic in reducing singly supply systems, even if it’s not quite as important as other issues.

✓ A solid plan. Customers appreciate the forethought and planning on this issue, and a structured timeline makes the ambition goals feel achievable.

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**Questions or concerns...**

- Not an immediate priority. A number of people believe this was less of a priority, as interruptions are seen as very infrequent, and the money might be better spend improving other things.

- Taking money from bigger issues. Some customers feel this issue is firmly below other issues discussed in terms of priority.

- People struggle to understand the nature of these single-supply systems, and feel its priority is hard to judge without more details.

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- Well that seems a very ambitious program so if it is important (and I don’t know if it is) then well done, if it succeeds.  
  **Comfortable & Caring**

- This sounds like a good target to aim for.  
  **Comfortable & Caring**

- This seems like a good clear improvement within a reasonable timeframe.  
  **Tech Savvy**

- I don’t think it’s much of a problem as it’s not on a frequent basis that the water would be cut off  
  **Comfortable & Caring**

- With no knowledge of what system I am on and having never been inconvenienced by this I am unsure how important an issue this is.  
  **Eco Economiser**

- The cost of this work must be huge. I think it’s better to spend money on making sure that existing infrastructure is as reliable as it can possibly be.  
  **Tech Savvy**
LOW PRESSURE AIM:
To reduce the number of properties at risk of persistent low pressure

Outcome: Investing for tomorrow

Persistent low pressure can affect taps, showers and boilers. For example, it could take a long time to fill a sink or bath and a normal shower system may not work properly. This performance commitment measures our progress in reducing the number of properties affected by this issue.

We have improved our performance in this area considerably in the last 15 years, reducing the number of properties on our low pressure register by 50% since 2005.

Our proposed performance commitment level:

1. We are committing to ensuring only 106 properties (0.49 properties per 10,000 connections) suffer from severe low pressure by 2025. This is the most stretching performance commitment level we have ever considered.

Customers support...

- Plenty to be proud of. People feel Anglian Water is doing well, and are supportive of the prior ‘significant improvements’, as well as the ‘amazing’ 0.59 properties per 10,000 statistic.

- A low number overall. In context, only 106 properties feels quite low.

Great to see that such significant improvements have been made already.

Tech Savvy

The statistic sounds amazing!!!

Eco Economiser

Living with low pressure is frustrating. I can tell you that much from experience because our home has consistent low pressure... so this aim is very agreeable.

Protective Provincial

Questions or concerns...

- Clarity over why less can’t be achieved. Customers agree that low pressure is frustrating, but they aren’t sure from the PCL why more can’t be done – bringing to light the complex nature of addressing all properties will help clarify to customers that this is an ambitious target.

- What was it in 2005?

Eco Economiser

- Great that more customers will have good pressure but it seems crazy that anyone is suffering with this. But I don’t know why some customers do and others don’t.

Eco Economiser

- I do not understand the complications that having to correct the low pressure issues but it must be difficult because of only a small improvement.

Protective Provincial
**WATER ABSTRACTION AIM:**
To abstract water at the best times in order to be most sustainable

**Outcome:** Flourishing environment

This performance commitment incentivises companies to reduce abstraction (taking water) at environmentally-sensitive sites, at times of low flows (usually when there is dry weather). This will the local water environment and ensure that water is provided in a more sustainable way. It is important to protect the environment, especially given the challenges of climate change and population growth.

At environmentally sensitive sites, a baseline for how much water we should be taking at time of low flow is set. Taking more water from these sites than the baseline is poor performance. Good performance is when we avoid taking water at periods of low flow.

**Our proposed performance commitment level:**
1. Our current performance is 77.5 Ml over the baseline.
2. Our proposed aim is to reduce the amount of abstraction from environmentally sensitive sites when there is a low level of water flow (-84 Ml below the abstraction threshold across all of the sites). This is a reduction of 208%.
3. This aim will be challenging to meet due to the increasing demand on water resources in our region from population growth and climate change. For us to reduce abstraction from these sites we will have to continue our strong performance on leakage and per capita consumption.

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**Customers support...**

- Future-facing sustainability. Not only shows keen awareness of issues of demand and climate change in the local area, AW proposes solutions to minimise their impact.

- Avoiding in principle sounds good. Although customers weren’t able to assess whether the volumes of water were good or not, they do accept that reducing abstraction to minimise impact is the right thing to do.

An excellent goal which fully supports our future environment... A challenging target, but very worthwhile if it is achieved.

**Questions or concerns...**

- Pressure on the other measures. The biggest question customers have is the extent to which this will rely on other measures:
  - Are there non-sensitive sites where abstraction will be increased?
  - Is water transfer part of the solution?

Will it not also mean AW has to arrange transfers of water from less sensitive sites?

Don’t know enough about this to comment. Would water be abstracted and stored when it’s available to abundance?

Don’t know enough about this. Would water be abstracted and stored when it’s available to abundance?
EXTERNAL SEWER FLOODING AIM:
To reduce the number of external sewer flooding incidents

Outcome: Investing for tomorrow

Sewer flooding occurs when sewage escapes from a pipe, through a manhole, from a drain or by backing up in a toilet. External flooding affects gardens and public spaces. This performance commitment is the number of areas affected by external sewer flooding.

Our proposed performance commitment level:

1. Based on the current industry upper quartile, we are proposing a performance commitment level of 4,241 incidents (15.6 incidents per 10,000 properties) by 2025.
   - This is a stretching level of performance and an improvement compared to our expected performance in 2020 of 4,665. Our performance has been assisted by the low rainfall but in the future the weather may have a negative impact on our performance.
   - The Environment Agency suggests there could be a 5-10% increased in peak rainfall intensity. Intense periods of rainfall can increase the risk of sewer flooding.

Customers support...

✓ Important in the eyes of customer. Flooding that may affect them (in home particularly) is key to address - feel reassured this is being addressed.
✓ Reduction down by ~400 incidents feels like an improvement, although not a large decrease, customers trust AW to be making the improvements required.

Questions or concerns...

• Greater risk vs less incidents? The key point of confusion for customers is around HOW a lower number of incidents will be achieved if there is great risk of intense rainfall – there is a need to explain WHAT AW is investing in and HOW this will help towards improving the number of incidents (is this about improvements in the network?)
• Is the target too stretching given the predicted intensive rainfall?

AW is moving in the right direction by coping with an increased number of sewage flooding incidents but they should be also be able to accommodate a small increase in peak rainfall intensity.

A good intention – definitely needs to be addressed.

Comfortable and Caring

You need to plan for future climate impacts ,but at the same time reduce foul flooding.

Protective Provincial

This is only a very slight decrease in incidents, but presumably those modelling performance know what they are doing!

Family First

How does increased risk of more rain equal less incidents of flooding? What exactly is AW doing?

Protective Provincial

Given that the EA are predicting 5-10% increase in peak rainfall would it not be sensible to aim for a lower more achievable target rather than possibly setting yourselves up to fail?

Tech Savvy
INTERNAL SEWER FLOODING AIM:
To reduce the number of internal sewer flooding incidents

Outcome: Delighted customers

Sewer flooding occurs when sewage escapes from a pipe, through a manhole, from a drain or by backing up in a toilet. This performance commitment is the number of properties affected by internal sewer flooding.

Our proposed performance commitment level:

1. By 2020 we expect our performance to be 469 incidents.
2. Using data for the other large water and sewerage companies we are proposing a performance commitment level of 355 incidents by 2025.
   - The performance commitment level is stretching as it would be a significant reduction on our expected performance in 2020 and is a level of performance beyond what we have delivered in the past.
   - Recent strong performance by us and others in the industry has been helped by drier than expected weather in recent years. Wetter weather in the future would make this performance commitment level even more difficult to achieve.

Customers support...

- 355 feels like a suitable target. From their understanding the proposed reduction is seen by many as a good improvement since 2020.
- Feels like like an areas that may have a negative impact on customers and therefore feels important to address.

Questions or concerns...

- Delighted? Some confusion as to why this is about ‘delighting’ customers, to not be flooding feels like an expectation so jars slightly with the outcome area.
- Who is involved? Some customers interpreted ‘internal’ as problem happening on their properties – is this about customer education or network improvements?
- Is it 355 incidents per year?

This is almost 25%, a big improvement.

Eco Economiser

A reduction of this much is great.

Family First

Nit a nice problem so good to see a more challenging target.

Protective Provincial

'Delighted’ isn’t the right word here! We don’t expect internal sewer flooding and would be disgusted if it happened. It not happening though isn’t ‘delighted’!

Family First

Why use internal here - makes me think it only occurs in customers homes not in the street or gardens or worse storm overflows into water courses.

Tech Savvy

Per year ??? Or up until 2020?

Tech Savvy
SEWER FLOODING IN A STORM AIM:
To plan network improvements to maintain current level of risk

Outcome: Resilient Business

During extreme rainfall periods there is a risk that wastewater can escape from our pipes and cause flooding in open areas or inside people’s homes. This measure looks at the percentage of customers at risk of suffering these impacts during a storm that would occur on average once in every 50 years.

We are undertaking a significant piece of work to understand our performance in this area and by 2020 we will have all of our water recycling catchments modelled and results analysed.

Our proposed performance commitment level:

1. Our aim is to maintain the current level of service.
2. We will account for this new risk standard and plan and build improvements in our network to reduce the number of customers at risk.
3. This will be stretching as the significant forecast housing growth in our region, coupled with the increased likelihood of extreme weather events due to climate change mean that without action more customers could be at risk.
   - Based on local authority development plans, we expect to connect around 200,000 additional customers to our wastewater network. These additional customers could put additional pressure on our wastewater network increasing the risk of flooding.
   - In it’s guidance for modelling future flood risk, the Environment Agency suggests there could be a 5-10% increase in peak rainfall intensity. Intense periods of rainfall can increase the risk of sewer flooding.

Customers support...

✓ People appreciate forward-planning. Customers appreciate the efforts to anticipate future problems, and on a general level support Anglian Water’s initiative to make assessments and plan for future changes and increase in population.

Network improvements will make the business more resilient.

Eco Economiser

I think it’s essential to reduce flooding risks. Particularly for isolated people and vulnerable people.

Tech Savvy

Important to forward plan.

Protective Provincial

Questions or concerns...

- ‘Maintaining’ and ‘current level’ don’t feel proactive enough. It wasn’t clear to all customers why the risk wasn’t being reduced given the potential increase in intense rainfall – there may be a need to explain more specifically what percentage of customers are at risk, and that this percentage is being maintained by specific infrastructure additions.
- There is an expectation to hear that developers are also contributing to the cost.

If you are trying to maintain how is this an improvement?!

Tech Savvy

No better or worse. Sounds like it’s a struggle just to maintain rather than improve.

Family First

The additional cost of safeguarding the complete network by adding these connections should be borne by the developers.

Comfortable & Caring
Carbon neutral by 2050: A mission to be cleaner and a significant goal and worthwhile challenge which feels achievable.

Capital carbon aim, 60% reduction: feels ambitious and challenging.

Innovations and collaboration feels like AW are making efficiencies in the ways they work with others.

Operational carbon aim, 10% reduction: difficult for customers to judge whether 10% reduction is good or not; there is a need for more insight into what changes AW will be making over the next 5 years.

'Carbon footprint' is not a meaningful figure giving no feel as to what it means.

Comfortable & Caring

What day to day activities cause this? Are there any examples?

Family First

10% of what — meaningless figures giving no feel as to what it means.

Tech Savvy

Questions or concerns...

Carbon neutral by 2050: A mission to be cleaner, a significant goal and feels ambitious and challenging.

Operational carbon aim, 10% reduction: difficult for customers to judge whether 10% reduction is good or not; there is a need for more insight into what changes AW will be making over the next 5 years.

Family First

10% of what — meaningless figures giving no feel as to what it means.

Tech Savvy

Questions or concerns...
Pollution incidents

Outcome: Flourishing Environment

Short definition
Occasionally wastewater gets into the rivers and causes pollution. We work hard to ensure this doesn’t happen and this performance commitment looks at the number of pollution incidents each year.

Setting a performance commitment level
We have considered: Cost-benefit analysis; Comparative information; Historic information. The most stretching performance commitment level would be based on using comparative information. Ofwat requires that we set our performance commitment level based on a forecast of the service provided by the best performing companies in the industry in 2025.

We have also considered using cost-benefit analysis and historic performance to set a performance commitment level. However, these approaches suggest a less stretching level of performance.

Our proposed performance commitment level
1. Using data for the other large water and sewerage companies we are proposing a performance commitment level of 165 incidents by 2025 (16.5 incidents per 10,000 km of sewer). How we have performed relative the industry’s upper quartile and where we expect that to be in 2025 is shown in the chart below.
2. By 2020 we expect our performance to be 219 incidents (29 incidents per 10,000 km of sewer), based on meeting our current performance commitment level.
3. The performance commitment level is stretching as it would be a significant reduction on our expected performance in 2020 and is a level of performance beyond what we have delivered in the past.
4. Recent strong performance by us and others in the industry has been helped by drier than expected weather in recent years. Wetter weather in the future would make this performance commitment level even more difficult to achieve.

Customers support...

✓ Target of reducing to 165 incidents feels like a substantial decrease in incidents and therefore a step in the right direction.
✓ Targets set based on industry best performing companies feels like a reliable gauge.

Questions or concerns...

• ‘Significant reduction’ on expected performance causes customers to question whether the target is overly ambitious and how Anglian Water will achieve it?

• Some question the qualitative impact of severe vs non-severe incidents and why this isn’t included in the assessment.

It’s good to see the company looking to do better than past performance.

Great, that potentially that results are going to get better year to year.

All good and understood - and good that AW bases it’s targets on appropriate research and information.

This sounds as though you may be setting targets too high.

So how are you going to do it?

Surely the target shouldn’t be the number of incidents but how each incident impacts the environment. 10 minor incidents could well be less harmful than 1 major one.
Sewer collapses

Outcome: Investing for tomorrow

Short definition
The number of sewer collapses per 1,000 km of pipes.

Setting a performance commitment level
There are some limitations to comparative information for this performance commitments, due to the adoption of private sewers by water companies. Historically we have reported this metric on a different basis to other companies. We have considered our own historic performance and what continued improvement would entail for setting the performance commitment level. Cost benefit analysis is difficult to undertake as we do not have good data on the value that customers place on asset health measures.

Our proposed performance commitment level
1. Based on a forward forecast of our improving performance over the last five years, we propose a PCL of 416 collapses by 2025.
2. We expect to have 474 collapses in 2020.
3. This is a stretching performance commitment level. We recently adopted a significant quantity of private sewers that are in varying state of repair. To continue to improve performance at the rate we have delivered historically will be challenging in light of these additional sewers.
4. This performance commitment is also influenced by external factors, including the weather. We propose a deadband for this performance commitment based on previous deadbands set by Ofwat. Our proposed deadband is 100 collapses a year in addition to the PCL.

Customers support...

- Down to 416 incidents feels like a step in the right direction.
- Most accept the challenges of working with a newly acquired pipe network and the fact that this will impact on the collapse rates experienced.

Questions or concerns...

- ‘100’ deadband ‘buffer’ feels high as roughly 25% of the target.
- Difficult to get a sense of the extent to which the target is ‘stretching’ due to ‘limited comparative data’ and unknowns around the new network (which also may be skewing previous data?)
- Customers question why Anglian Water took on the new network in the first place and what incentives/support was given to AW for ‘taking on’ the additional sewer network.

Eco Economiser
- I do get this point, that AW can’t be blamed for the state of sewers they have only just taken over. Fair point, well made.

Tech Savvy
- Customers support...
- Questions or concerns...

Family First
- If data on private sewers taken over is going to skew the data, why not report on these separately? Then the target for 2025 could be more challenging.

Protective Provincial
- Why didn’t you insist on them being repaired by the previous owners before you adopted them instead of passing those costs onto us customers?
**Developer Measure of Experience (D-MeX)**

**Outcome:** Delighted Customers

**Short definition**
We deal with property development companies ensuring that new homes and business premises are connected to the water and waste water network. This is a measurement from a number of different sources showing how satisfied developers and other customers are with the services they receive from us.

**Setting a performance commitment level**
Performance is measured by the industry regulator, Ofwat, using surveys and research. Ofwat uses this research to create a league table, showing which companies are performing best and worst.

**Our proposed performance commitment level**
1. Delivering excellent customer service is the cornerstone of our business.
2. Our ambition is to rank in the top quarter of the league table every year.

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**Customer measure of experience (C-MeX)**

**Outcome:** Delighted Customers

**Short definition**
A measurement from a number of different sources showing how satisfied household customers are with the services they receive from us.

**Setting a performance commitment level**
Performance is measured by the industry regulator, Ofwat, using surveys and research. Ofwat uses this research to create a league table, showing which companies are performing best and worst.

**Our proposed performance commitment level**
1. Delivering excellent customer service is the cornerstone of our business.
2. Our ambition is to rank in the top quarter of the league table every year.

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**Questions or concerns...**

- How is ‘excellent’ measured? Customers point to the qualitative nature of excellent as the key measure and question on what basis it will be measured.
- League tables. Not all customers are in favour of league table style comparisons, for a few reasons:
  - Don’t buy into the notion of creating competition between water companies
  - Don’t feel they are fully representative of performance
  - All areas are unique and therefore satisfaction will be dependent on their water scenarios

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**Customers support...**

- Meets customer expectations. Measuring customer satisfaction is an expectation and therefore a clear goal to delivering ‘excellent’ customer service feels like what they would expect from Anglian Water (as well as most large companies).
- Impartial and collaborative. Involvement of Ofwat feels impartial and reassures that this comes from an independent measure. Feels like a two-way relationship with developers where it’s important to work together to achieve properly planned infrastructure changed in order for supply to meet demand (while some do question why developer ‘satisfaction’ is required).

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**Comfortable and Caring**

- Excellent is not quantifiable - How do you measure ‘Excellent Customer Service’?

**Tech Savvy**

- How can customer experiences be compared?
  - Customers in an area with little to no risk of water shortages will have different reaction to those who are in an area with shortages.

**Eco Economiser**

- Very important AW need to make sure that companies and supply and demand is covered when new properties are being built.
Overwhelming support for environmental responsibility. The majority of customers asked felt strongly that taking care of the environment is important and monitoring the company’s impact was worthwhile.

- Not all effects are equal. Some customers highlight that when monitoring ‘good’ and ‘bad’ effects on the environment, it’s also important to accurately measure the scale of these impacts, not just the ‘number score’.

- Checking the balance. While most customers support environmental initiatives, some caution this shouldn’t be done at the expense of services or assets, e.g. treatment plants that are needed.
**BATHING WATERS ATTAINING EXCELLENT STATUS AIM:**

*To improve quality of designated bathing waters e.g. rivers and beaches*

**Outcome:** Flourishing environment

The Environmental Agency designates the quality of bathing waters based on the average quality over four years and requires us to undergo a range of improvement schemes. Getting all of our bathing waters to Excellent status is not possible due to the actions of third parties e.g. farmers. Large improvements are also likely to be prohibitively expensive and could have an impact on customer bills.

**Our proposed performance commitment level:**

1. Our proposed performance commitment level, is to improve the number of bathing waters at **attaining excellent status from 32 to 37 by 2025**.
   - To reflect the impact of factors outside of our control we are proposing a buffer zone to be set at 32 beaches set at the number of beaches being excellent in 2020.
2. There are currently 49 designated bathing waters in our region and we expect **32 of those to be rated Excellent in 2020**.
   - To deliver the PCL we would need to invest in improvements in 2020.

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**Customers support...**

✓ A supported initiative. Many customers see the value in this proposal – a positive impact on their local environment and customer’s enjoyment of the area.

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**Questions or concerns...**

- What about the other 17. People feel that 17 beaches not up to standard is still a fairly large amount, and would like to know more about the plans for those.

- Farmer frustrations. Some customers are quick to suggest the ‘third parties’ who impact the status of these beaches should suffer fines or other penalties, rather than it being AW’s responsibly alone

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**Comfortable and Caring**

- I am pleased and surprised that so many are already excellent status, another 5 will be great if achieved by 2020.

**Tech Savvy**

- Fine the farmers etc or control their actions in some way!

**Protective Provincial**

- I’m more concerned about the details of the remaining 17 that don’t come up to scratch...why don’t they, and how did they get that way?

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**Eco Economiser**

- What about the other 17? A comment would be useful.

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**Eco Economiser**

- There are other areas that are more crucially important. I still, however, believe this to be a very important aim that needs to be attended to.
Helping those in need is paramount. Customer service is always important, but seeing efforts made to support those who need it most was widely approved of.

Realistic goals. With a ‘good’ rating being so difficult to get, many people appreciate the realistic expectations set for the qualitative assessment (although some do question the relevance of ‘energy industry’ as a comparison).

The company are being respectful and inclusive which is always a positive.

I think this is a realistic goal to try and achieve.

Achievable target

Who is/isn’t vulnerable. Having more than ~10 times more vulnerable customers on the PSR in the space of 5 years leaves people with questions as to why they weren’t recognised as vulnerable already.

Supporting all? Some customers weren’t sure why the aim was simply to increase the number of identified customers – does this also include supplying an improved service for those newly identified on the list?

15% of customers vulnerable? Seems a high percentage, has the current bar been set too high and vulnerability is currently under reported?

That’s not really a goal though, you just say you expect to have 35,000 customers. Is the goal to be able to deal effectively with those 35,000 people in terms of the resources you have? Or to check on them?.

Not as clear what this assessment is or how it is to be applied.
WATER INDUSTRY NATIONAL ENVIRONMENT PROGRAMME AIM:
Deliver environment programmes within the EA’s requirements

Outcome: Flourishing Environment

The Water Industry National Environment Programme (WINEP) details what companies need to do to meet environmental obligations. It is developed by us, Natural England and the EA. The final list of obligations are set by the EA. This performance commitment would look at our delivery of schemes included in the WINEP.

Our proposed performance commitment level:
1. Deliver the WINEP in line with the EA’s requirements.
   - This is likely to be stretching as we expect the WINEP for the period 2020-25 to be significant.
   - We will have the biggest programme of any water company to deliver and expect this to be 3-4 times bigger than the programme we are delivering between 2015 and 2020.

Customers support...

✓ Protecting the environment is key, but not to be done alone. Customers see the environment as a precious commodity that needs, and deserves, to be safeguarded for future generations.

✓ Collaborating with EA and Natural England appeals – it’s a large task, and shouldn’t be carried by AW alone

Questions or concerns...

• Yes… but within reason. Some are unsure why AW’s programme is expected to be 3-4 times larger than the 2015-2020 one. Customers are concerned that a bigger programme = larger costs for them

• Some question whether the EA is asking too much of AW or whether all water companies under this same obligation?

AW always seem to be moving in the right direction, but is the EA asking too much of AW, or have I misunderstood the part about AW being expected to deliver the biggest program?

Protective Provincial

Sounds a bit unfair, why more than other water company’s? Is that just because East Anglia is dryer than other areas?

Comfortable & Caring

I don’t understand this statement. What does 3-4 times bigger mean exactly - what does it refer to?

Family First
NON-HOUSEHOLD RETAILER SATISFACTION AIM:
To measure customer satisfaction for non-household customers

Outcome: Delighted customers

Non-household customers are now able to switch companies for the "retail" element of their service. This means that companies other than Anglian Water can offer billing, innovation and other services to businesses in the Anglian Water area. We still continue to deliver the water to these customers’ premises and take waste water away.

Our proposed performance commitment level:

1. We are planning to measure customer satisfaction either as % satisfied or on the concept of a net promoter score (this means how likely a customer would be to recommend us to a friend).
   - This is the level of service we seek to provide to all of our customers but it will be stretching to deliver. There are only a small number of active retailers (currently eight) so if any one of these customers are unhappy with our service it will have a big impact on our performance.
   - We are working now to understand the satisfaction of this group of customers with the service they receive from us.
   - Our approach to setting a performance commitment level is based on conducting surveys with our customers to establish their current satisfaction, and develop and set a performance commitment to improve from that baseline.

Customer satisfaction is very important, regardless of whether they are in a household or not.

Tech Savvy

Once again a good idea keeping all companies on their toes and generating competition

Eco Economiser

I like the approach of research first, then set the target.

Tech Savvy

Questions or concerns...

- What about normal customers? Introducing the notion of choice around water service opens up the door to questions around why this isn’t available to normal customers.
- What else do they get? Not all customers were clear on what else non-household customer would be getting (if they are being supplied water and waste water by AW) and how their satisfaction around billing might impact on AW
- Some suggest measuring success based on number of non-householder that join or leave AW

Every company seems to love NPS. However I’ve found this isn’t a great way to measure. NPS is basically if people aren’t happy this is where they rate you. Regardless if your at fault etc. I think success should be measured more in how many people swap.

Protective Provincial

I’m confused - if AW still dealing with water supply and waste - how can other companies do the other things?

Eco Economiser
MANAGING VOID PROPERTIES AIM:
To reduce the % of properties which are no longer void and should be billed for their water

Outcome: Fair charges, fair returns

When household properties that are connected to our network are identified as being unfurnished and having no consumption, we classify these properties as ‘void’ and do not bill the property until these conditions no longer apply. Where a property becomes occupied but continues to be classified as ‘void’, the occupier is not charged for the water used. This results in a cross-subsidy from those customers who are billed. Identifying where properties classed as ‘void’ have been occupied and bringing them into charge is therefore an important component in ensuring customers are charged fairly.

Our proposed performance commitment level:
1. We are proposing a performance commitment level set on the basis that 10% of our long term void properties are occupied. This translates to a performance commitment level of 0.25% of our total properties.
   - Our performance commitment is based on the number of long term voids (over 6 months) that are in fact occupied. This would be expressed as a % of the total number of billable properties.
   - In an example where Anglian Water serves 100 properties and 10 are considered to be void, if one of those void and 10 are considered to be void, it is one out of the total of 100.
   - This is a stretching as there is currently limited information available on our current performance. Poor performing companies have 25-40% of their void properties occupied and our performance commitment level is based on 10%.

Logical and fair. Full customer support around ensuring properties that may in fact be using water are being charged as soon as possible.

10% aim feels ambitious in context. Based on other company’s performance a 10% of long term void properties start to be billed feels?

Any property that uses water should be charged for it so that the rest of us can get cheaper bills.

This is a good idea and would be better to keep a track of properties to ensure that the water is not being used unbilled.

I agree that properties which are no longer considered void should be charged for water. This should be quite easy to determine considering the majority of properties have water meters.

Why not fit a water meter to all properties classed as void. The owner where can confirm the reading and agree to pay for any water used. If the property subsequently is occupied then this can be seen and bills charged.

I think AW should look at working with other utility provider or councils (Council Tax) to cross reference properties that are deemed to be void.

This cross subsidy I think will anger customers. I mean I’m annoyed that I have to subsidise this. As a customer I think this should be explained but also say what is being done currently and then future aims.

Questions or concerns...

• Metering solution. Customers are quick to point idea that installing meters on these properties would help AW get a very clear and immediate read on whether water is being used despite ‘occupants’ not yet having registered the property as occupied.

• Some suggest why AW can’t access occupied information from councils

• There is concern that current customers will be subsidising those using water un-billed
**PER CAPITA CONSUMPTION AIM:**
To help customers reduce their water usage

**Outcome:** Supply meets demand

This measure looks at how successful we have been in helping customers reduce the amount of water they use in their homes. This could be through education programmes or helping with water efficiency devices or equipment. Our 25 year ‘water resources management plan’ includes ambitious reductions in per capita consumption to help us balance water supply and use.

**Our proposed performance commitment level:**

1. **A reduction of 5 litres, per person, per day.** Based on achieving our current target of 132 litres, per person, per day for 2020, this would then be 127 litres, per person, per day for 2025.

2. Achieving this target will be difficult for a number of reasons:
   - We will be relying on changing customer behaviours in how much water they use
   - As we hunt for leaks we might realise that water we thought was leaking is actually being used by customers, driving up performance on this measure
   - Achieving this reduction in leakage is underpinned by our plans to roll out advanced meters (smart meters) to our customers.

**Note:** we are undertaking a significant piece of analysis to forecast our performance and model demand on this measure. The result of this work might change where we expect to be in 2020 but won’t affect the scale of our ambition to reduce per capita consumption by 5 litres per person, per day.

**Customers support...**

- A reasonable reduction: A reduction by 5L per day doesn’t feel outlandish, and a focus on behavioural change appeals (with the assumption that AW will help customers reduce usage).
- Going smart. ‘Advanced metering’ suggests a move towards more use of data (shared with customers and for AW to better manager supply).

**Questions or concerns...**

- One-size-fits-all. For some households, cutting back 5L per day will be easily achievable. But for others – e.g. large family households, disabled, those with medical needs.

- I’m sure it’s not that difficult to save 5 litres a day if you think about what you are using water for and being more careful
  - **Tech Savvy**

- Looking forward to the introduction of smart metres so I can track water costs.
  - **Tech Savvy**

- I agree with this aim as water is a finite resource and the supply, through rainfall, is not under our control.
  - **Comfortable & Caring**

- This is unrealistic. Some people like myself can’t cut down on water usage due to health conditions but this statistic hasn’t been mentioned.
  - **Protective Provincial**

- Water consumption can only drop so far. However, I agree that it’s good to encourage customers to try to minimise consumption.
  - **Tech Savvy**

- This really depends if customers have any interest in saving water, they may be really wealthy or just well off and not worry about the cost of the water.
  - **Protective Provincial**
Billing scenarios

And customer view on deferring and leakage
I think we have to be realistic and accept that in order for AW to provide the best for us and our environment, there will be a cost.
Customers support going above and beyond ‘the minimum’

Overall, customers feel it’s reasonable to expect higher bills if this means safeguarding the environment, maintaining water quality, and ensuring supply meets future demand.

Although it’s uncomfortable to experience higher bills, the higher bill option comes with wider benefits, and the price tag feels like a realistic reflection of the investments that AW are proposing.

The bare minimum option is cheapest, but it fails to address the environmental factors and considerations that are so important.

Tech Savvy
How are the 3 bill scenarios interpreted?

Maintaining the ‘status quo’
✓ Continuing as before is the best option, financially, for customers.

However, more informed customers don’t want the bare minimum from their water company and see Option 1 as a ‘false economy’ – deferring the issues rather than facing them now.

A moderate, cautious balance
✓ Customers interpret this as a readiness to spring into action, but leaves space to adjust by not focusing on one sole objective.

Though a step in the right direction, for some, this option feels half-hearted and short-sighted – doesn’t deliver the ‘complete package’.

The full package
✓ Covers all aspects that the future may throw, and feels like the most ethical and socially responsible way forward.

But there are concerns over how much of the future AW can accurately forecast, and how much flexibility there is to change track if necessary.
**Option 1: Accessible, but is enough being done?**

- **The bare minimum** option is the most financially accessible, and covers the basics of supply.

- **However**, the majority of customers feel it fails to address environmental considerations, nor does it provision for maintenance issues.

- This feels like a **stagnant** approach that casts a negative associations on AW as not pushing themselves to try harder.

- Many feel that option 1 is neither a realistic nor ethically viable option, **neglects the responsibilities** that AW owes to up and coming generations today, and **delays the inevitability** of needing to tackle environmental and supply issues via investment.

- **No. We need to do much more than the bare minimum. Water quality for people and the environment is too important.**

- I think this is a 'head in the sand' approach and a false economy.
**Option 2: The safe ‘Goldilocks’ of billing options**

✓ Option 2 feels like the most moderate of the 3 options (with moderate investment balanced by moderate bills).

✓ Being proactive appeals. Customers appreciate AW’s awareness of, and readiness to spring into action and provide solutions to the problems caused by climate change or environmental protection.

✓ This feels like a fair, yet cost effective solution: pay a little more to get a little more while being cautious and agile in the face of future changes.

☺ The either/or is polarising; while choice of possibilities appeals, some customers question whether AW should be solely focused on just Environmental Protection or Climate Change – perhaps a joint yet more gradual investment in both.

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This is like Goldilocks and her porridge, (1) is too hot, (3) is too cold, and (2) is ideal...as you have the chance for improvements and leeway.

**Comfortable and Caring**

The best option, with extra spend available to meet issues and possibilities but not centrally focused on one sole objective, but still needed where immediately required.

**Family First**
Option 3: The future proofing option!

✓ **Maximum investment opportunity, maximum benefits:** Customers recognise that the cost difference between option 2 and 3 is not substantial, yet there’s vast difference in benefits. The package is comprehensive and covers the whole spectrum of possibilities for a future-proofed network.

✓ **A committed stance:** Many feel if a job is worth doing now – with known challenges worth addressing now instead of when it’s too late (and may be more expensive).

‣ Others question how much AW can really predict, and suggest perhaps a safer option is to gently invest, yet be **willing to shift investment plans** (e.g. if other, or cheaper, solutions arise further down the line).

‣ **Emphasise the longer-term savings:** Customers are keen to hear what long-term benefits might occur from higher investment, and ideally, how this will reflect in saving customers money later down the line.

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**Protective Provincial**

We should not pass by environmental improvements that can be made for a relatively small amount of money, and it would be a real risk to not do all that is reasonably possible to allow for climate change.

**Comfortable and Caring**

At an addition £21 per year, that’s less than 7 Costa coffees per year. In order to guarantee clean water to drink, well-treated sewage, and environmental improvements, at about 2% of the total bill, that sounds like good value for money.
Is a middle ground between 2 and 3 most reasonable?

With so many unknowns around climate change, even those who had voted for option 3 acknowledge that perhaps spreading the cost of climate change over a long period would be wisest.

My only concern with this sort of choice is that it doesn’t allow for anything in between. My true preference would probably be somewhere just above option 2. Spending some extra on climate change and spreading it over a longer period seems the best approach to me.

Tech Savvy
Customers had questions regarding the specifics of the bill scenarios

**WHAT IS BEING DONE UNDER EACH OPTION?**

The bill options weren’t always felt to reveal enough about what exactly money will be spent on under each – there may be a need to clearly tie the bill scenarios to specific actions and initiatives and outline what would happen if no investment is made for each.

-Outrageously vague which merely says it will cost more per annum without attempting to indicate where and how the extra cash would be used.

-Comfortable & Caring

**WHERE ELSE IS MONEY COMING FROM?**

An underlying question that customers have is to what extent is all additional investment based on customer bills vs other areas such as efficiencies being made, or renegotiating shareholder dividends, what are developers funding?

-I would like AW to implement environmental improvements and work to minimise the effects of climate change, but I would like to see them fund this through efficiency savings and not through increased customer charges.

-Careful Budgeter
A majority support greater leakage investment, as long as it’s around £4

✓ The notion of investing more to continue to be a leader in leakage rates is motivating to customers. It feels like a more cost effective solution than having to be more reactive in the future in order to maintain leading rates.

? **But is the Sky the limit?** There is some concern over where the limit is to further leakage reduction, customers don’t want to see their bills continue to increase simply because AW want to ‘be the best’. The notion of a potential rise to £20 feels like too much, most would hope that the average increase would be around the £4 mark.

Yes, BUT...this is not to be the industry leader - that doesn’t matter and it's a danger to make decisions based on being "The Best". What really matters is that AW always DOES THE BEST IT CAN!

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**Eco Economiser**
Customers back a ‘pay as you go’ approach to asset investment

✓ **Spreading the cost.** The majority of customers feel that the fairest option is to ‘pay-as-you-go’, with investment spread across current and future customers. There’s a sentiment that current customers don’t want to ‘kick the can forward’ for future generations to deal with more cost later, while also being conscious that we may want to ‘wait and see’ what the future holds for them and the area.

✓ **Pay more now.** Some are happy to pay more now to help future customers and go ahead and pay for investment that will happen anyway.

✓ **Defer.** A minority are open to deferring payment to future customers – primarily drive by ‘let’s wait and see’ – to see what impact a larger future customer base will have on bills.

I would not like to push debt forward for the next generation, but I could not afford to subsidise them either...

Comfortable and Caring
There are some concerns around getting customers to pay too much too soon

• Can everyone pay more now? There is some concern on the impact of vulnerable customers and low-income families if greater pressure is being put on current customers.

• Worried prices will still go up. There is some concern that paying too much now as measure to keep future bills low may not manifest and the future bill amount may need to go up anyway. A minority express a sense of cynicism that if too much is pay upfront it may go to shareholder pockets via dividend payments.

• Can’t predict the future. Customers question what changes in government, policy or even Brexit might have on the next 10 years, where money spent now may end up being wasted.

• A larger future base. If AW will have a much larger customer base, it feels unfair that a smaller customer base today is paying so much (when in proportion the future customers will have the costs shared amongst a larger customer population).

Eco Economiser

Nobody likes to pay extra on their bills especially when all bills are rising faster than income. And it is even worse for those on a fixed income like pensioners as not all pensioners are fortunate to have an additional private pension. Perhaps a means test should be adopted.

Family First

There are so many uncertainties e.g. the financial impact or Brexit, mobility of people across the UK (I’m very unlikely to have grandchildren in the AW area) ...
Feedback loop

What do customers still want to know?
We will feedback on the following key questions

1. IMPACT ON CUSTOMERS
   - How will AW support customers to reduce water?
   - What will be the customer benefits from ‘advanced’ metering?
   - How will customers be educated around what they need to do?
   - How will AW guarantee that bills won’t go up again for customers?

2. OUTCOMES AND TARGETS
   - Where do incentives and penalties come from?
   - In layman’s terms, how is the network being improved for population growth and to allow for no water cuts in a drought?

3. BILLING SCENARIOS
   - What ‘efficiencies’ are being made to help reduce the customer bill?
   - Why isn’t more being paid for by shareholders?
   - What aspect of new infrastructure are developers funding?

4. CONSULTATION
   - What impact will the consultation have on AW’s plan?
   - What specific things will the feedback inform?
Customer questions around the impact on customers

1. How will AW support customers to reduce water?
2. What will be the customer benefits from ‘advanced’ metering?
3. How will customers be educated around what they need to do?
4. How will AW guarantee that bills won’t go up again for customers?

What I never really heard from all of this was how you are going to educate people? To change their ways and justify price increases. I have noticed your ‘What type of boss are you’ test has made it way around various social media platforms. Which is good to see as it getting more people involved / support these three areas.

Tech Savvy

I would have liked to see a little more about AW plans to educate - so that the coming generation is more attuned to sustainability, conservation and care for the environment; and what campaigning activity AW might promote, join, instigate, to support these three areas.

Eco Economiser

What really annoys me is the fact that so much of the proposed extra cash is to be allocated to smart meters. This money would be much better spent on improving the infrastructure rather than lining the pockets of the meter manufacturers.

Comfortable & Caring

The plan is quite ambitious and my concern is the financial capacity of AW and will the customer have to pay more in the future.

Tech Savvy
Customer questions around the outcomes and targets

1. Where do incentives and penalties come from?
2. In layman’s terms, how is the network being improved for population growth and to allow for no water cuts in a drought?

I'm not really sure what direction Anglian Water is actually going in but the two things I would like to see is i) eradication of leaks, and ii) increase in storage capacity to ensure that there are no customer water usage restrictions.

I did not like some of the areas around targets and incentives. If the targets is 10 let it be 10 and not 9.2 because it rained that day, Let set smart targets that everyone understands.

Also what are the penalties if the targets aren’t met. Will heads roll?

"Ambitious water efficiency programmes" could mean so many different things. Does this include support for householders seeking to reuse grey water?

Family First

Careful Budgeter

Comfortable & Caring
Customer questions around the billing scenarios and cost

1. What ‘efficiencies’ are being made to help reduce the customer bill?
2. What investment is coming from shareholders?
3. What aspect of new infrastructure are developers funding?

I would like to see a simple breakdown that shows money in (where it comes from) and money out (where it is spent) and money left (for future investment / liabilities).

Eco Economiser

I would like a firm approach to new housing developers to make sure that the cost of water infrastructure is covered by them.

Protective Provincial

I am not certain that the financial contributions by developers has been factored into your plans. Existing customers will pay more but why do they have to for population expansion in this area?

Tech Savvy

I’d still like to know how the investment is funded - is it fully from raising bills or will shareholders take some of the pain by reduced dividends or raising cash from share releases?

Eco Economiser
Customer questions around the consultation

1. What impact will the consultation have on AW’s plan?
2. What specific things will the feedback inform?

I’ll be interested to see if Anglian Water act on anything coming out of this consultation and if the plan is altered in any way as a result. Listening is great, acting on it is better still.

Tech Savvy

Also, there has been no feedback on if and how AW plans to use the results of the consultation. You need to publish a full analysis of what customers said and what you are going to change in your plan as a result.

Protective Provincial

Lastly what had happened during the consultation. Will changes be made as a result of our comments?

Protective Provincial