

Appendix 3

Bespoke Performance Commitment Definitions

3 September 18

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Appendix 3 bespoke performance commitment definitions

1.0 Overview

To develop our Performance Commitments (PCs) we have involved customers every step of the way, to both validate the mandatory elements and to understand and identify the areas that matter most to our customers. We have engaged with and taken on board challenge from our Customer Challenge Group (CCG), internal governance and feedback from third party assurers. Throughout this engagement we have sought to confirm that this set of performance commitments, together with the common performance commitments, provide sufficient breadth across the services we provide and sufficient depth on the areas that matter most to our customers both now and in the future. We have also considered how our performance commitments will demonstrate our contribution to the wider ambition in Wales, such as the goals set out in the Well-being of Future Generations (Wales) Act 2015.

We have also ensured that our PCs align with the guidance set out in 'Delivering Water 2020: Our final methodology for the 2019 price review'; balancing commitments across price controls, areas of resilience, asset health, environment and vulnerability.

We are proposing 14 bespoke PCs which are in addition to the 14 common performance commitments outlined by Ofwat.

This submission covers definitions for our bespoke PCs on the template provided by Ofwat. We have adopted the standard definitions for the 14 common performance commitment's and have not included them in this appendix.

We have considered the feedback from Ofwat, received in July and have detailed the action we have taken to respond in section 2 below.

More detail on PCs and ODIs can be found in Chapter 6: Customer outcomes, which sets out how the full suite of PCs will be used to demonstrate progress with and delivery of the Outcomes that are important to our customers. Appendix 2: Rationale and evidence for PC targets and ODIs sets out the specific evidence to demonstrate how we have ensured stretching targets and incentives that reflect our customer's priorities. Data table App1 (and associated line commentary) sets out the targets and incentives.

2.0 Responding to Ofwat feedback

We welcome the feedback from Ofwat on our detailed performance commitment definitions. Our overall aim on all commitments has been to ensure that they:

- comply with standard consistent reporting guidance
- provide clarity ensuring there are no inconsistencies across commitments
- comply with PR19 final methodology guidance and ensure that definitions are complete with no inappropriate exemptions or aggregation of sub measures
- present technical language in a way that is easy for customers to understand

Acting on the feedback, we have improved our PC definitions, a summary of our response is outlined below.

Ofwat feedback	Our response
<p>PR19_HDD_A3 Lead Pipes In terms of clarity, you should explain in more detail the phrase 'trigger for investigating it'. For example, does this include replacement of lead communication pipe and supply pipe if the customer complaint is related to any water acceptability issue and you find and confirm that the communication pipe and/or supply pipe is lead, or only if related to a lead investigation?</p>	<p>More detail has been provided to confirm the triggers for deciding which lead pipes are included in this measure</p>
<p>PR19_HDD_C1 length of river improved We note that WINEP3 does not distinguish between Severn Trent Water and Hafren Dyfrdwy schemes. To achieve improved clarity, we suggest that if it is included in your business plan, the information supporting this commitment should explicitly identify the individual WINEP requirements involved and the river lengths associated with each. The definition should also clarify how any changes should be managed as WINEP evolves, for example, following future ministerial decisions. For completeness, you may wish to consider whether scheme delivery is best determined by National Resource Wales' issue of a new discharge permit, or whether regulator sign-off, as evidenced by an entry in the column titled "Final Scheme Completion Date" in the NEP delivery tracker issued by National Resource Wales, is more suitable.</p>	<p>WINEP3 relates only to STE obligations. All HDD obligations are defined in the NEP as issued by NRW. The definition has been updated to confirm this.</p> <p>The business case in appendix 4 sets out the status (i.e confirmed (green), likely (amber) of each NEP obligation). The only amber areas relate to WFD which directly relate to this PC so any uncertainty will be managed through application of ODIs.</p> <p>NRW issue both the discharge permit and final sign off. Typically NRW issue the permits and then there is a slight delay before they formally sign it off. We have updated the definition to clarify that we are counting completion once the discharge permit has been issued as this means costs and benefits will typically occur in the same year, which is more transparent for reporting purposes.</p>
<p>PR19_HDD_C2 Hectares managed for biodiversity To achieve improved clarity, we suggest that you explain how you intend to baseline and then assess the maintenance, enhancement or extension of habitat or priority species, particularly on third party land.</p>	<p>The definition has been updated to improve the clarity of how we will baseline and then assess performance throughout the AMP.</p>

<p>PR19_HDD_C3 Satisfactory sludge disposal</p> <p>In terms of completeness, we suggest that this definition is formulated in a manner which does not assume using Severn Trent Water for these services.</p> <p>If you continued with the current form of the definition you may want to consider addressing the following to improve clarity:</p> <ul style="list-style-type: none"> - your measurement is defined as to one decimal place, whereas the Environment Agency reporting is to two; - your definition states there are no exceptions, however, we note that in the EPA there are exceptions to the figures the Environment Agency requires to be reported, for example "treatment breaches that do not result in non-compliant sludges or residual products going to any outlets are not included"; and - consider either fixing the definition and exemptions using a dated version of any reporting requirements or defining the commitment in terms of the most up to date reporting requirements at each reporting year. 	<p>The definition has been updated to remove any assumptions about the service provider in the future.</p> <p>It now states performance will be reported to 2 decimal places.</p> <p>Definition has been updated to ensure that any changes to the EPA guidance will be adhered to.</p>
<p>PR19_HDD_F1 Void supply points</p> <p>To achieve improved clarity you may wish to consider addressing:</p> <ul style="list-style-type: none"> - whether this measures the number of voids being brought into charge (i.e the gross number) or a reduction in the level of voids (i.e.net of any new voids that arise); - when and over what period you will evaluate your metric (for example, whether it is a snapshot on a particular date each year or an annual average level over a charging year); and - whether the definition you use for voids will match the one used for your Annual Performance Reports and, if not, how these might be different. 	<p>The definition now states it is the reduction in void supply points (ie net of any new voids that arise).</p> <p>The definition now states it is measured over the financial year in line with APR measurement.</p> <p>The definition has been updated to confirm that the voids definition is the same as the definition in the APR.</p>
<p>PR19_HDD_G3 NHH experience</p> <p>This performance commitment is incomplete and is still in development.</p> <p>To achieve improved clarity, we suggest that you amend the range "between 1=strongly disagree and 5=strongly agree" and use range terms appropriate to the question</p>	<p>It has been updated and the answer choices have been aligned to the question.</p> <p>There are details still to be worked through which will be done as CMeX methodology develops.</p>
<p>PR19_HDD_G4 Welsh language services</p> <p>We recognise this performance commitment is incomplete and is still in development.</p> <p>In terms of clarity, the example audit would benefit from redrafting so that each element of the audit can be objectively assessed and generate results that will aggregate into an overall percentage.</p> <p>In terms of completeness, we note that social media is not included in the list of "Functions/Activities/Areas" that will be audited in order to assess performance.</p>	<p>The definition has been updated to ensure it can be translated into a % score. More detail can be found in the specific business case in appendix 4.</p> <p>Social media is not included as that is specifically excluded from the Welsh language act and customers told us that they don't want us to go beyond the requirements set out in the act.</p>
<p>PR19_HDD_H1 Supporting PSR customers during an incident</p> <p>To improve clarity, you should consider outlining more fully the exemptions attached to this performance commitment. We suggest you consider further whether customers not contacted due to an exemption should be counted toward the total number supported.</p>	<p>The definition has been updated.</p> <p>If a customer is not contacted due to an exemption they will not be counted in either number of customers supported or in the denominator, total number of customers needing support. Essentially they will be completely excluded from the analysis.</p>

3.0 Bespoke PC definitions

The updated definitions are set out in turn.

Outcome A: Good to drink

A2: Number of complaints about drinking water quality

Short definition

The total number of complaints about appearance, taste and odour per year.

Measurement

This is measured as a whole number. Measured, assured and reported on an annual, calendar year basis (1st January – 31st December).

Complaints are captured in the company SAP system, as they are received. They are categorised according to the information provided by the customer, which includes the address so that it can be identified if the complaint occurred in England or Wales.

Mitigation / exceptions

In line with the DWI definition the following exclusions apply to this measure:

- Complaints reported during an incident are excluded.
- Repeat complaints (about the same incident) are excluded.
- Only complaints pertaining to the appearance or taste and odour of their water are included in this measure. Complaints regarding illness, concerns or enquiries about drinking water quality are not included.

Any other information relating to the performance commitment

This is a refinement but continuation of AMP6 measures. The previous Dee Valley measure that covers the North Wales area of Hafren Dyfrdwy was focused entirely on discolouration because this was a particular concern and significant investment has been made to improve performance on this parameter. The previous Severn Trent measure that covers Mid Wales included discolouration, taste and odour.

The AMP7 measure aligns them to be a comprehensive measure covering appearance, taste and odour. Given the importance customers place on all aspects of drinking water quality it is important to expand the measure. Given discolouration is one of the aspects included in the definition we think this offers sufficient protection to customers in North Wales to ensure we continue to deliver the service improvement that they have paid for during 2015-20.

Full definition of the performance commitment

A complaint about drinking water quality is any communication about drinking water quality initiated by a consumer living or working in our supply area by phone, letter, email, in person, or website request form. Repeat complaints about the same incident within a 7 day period, and complaints received during incidents are not included in this measure, consistent with DWI guidance.

Outcome A: Good to drink

A3: Number of lead pipes replaced

Short definition

Number of lead communication and supply pipes replaced.

Measurement

This is measured as a whole number. Measured, assured and reported on an annual, calendar year basis (1st January – 31st December) to align with reporting and monitoring of all other drinking water quality performance.

Pipes replaced will be captured through our company SAP system and categorised using a grid reference system to ensure we only report pipes that are located in our supply area.

Mitigation / exceptions

This excludes pipes inside the customers' properties.

Any other information relating to the performance commitment

This performance commitment fits entirely in water network plus price control.

Customers and stakeholders co-created this measure.

Full definition of the performance commitment

This measure is counted in numbers of pipes not length. This is standard industry practice when reporting on communication pipes as it better reflects the number of properties protected. The company owned communication pipe and customer owned supply pipe is counted separately. This is to ensure that all progress to remove lead pipe is tracked and due to the current ownership arrangements we cannot force a customer to replace their supply pipe.

If either the communication or supply pipe is a shared pipe serving several houses then the number counted will be based on the number of properties protected, as this is the overall aim.

This measure will include lead pipes replaced;

- as a result of a failure in a regulatory sample of greater than 5ug/l
- as a result of a customer request under Regulation 30(4)(b) of the Water Supply (Water Quality) Regulations 2000.
- where the presence of lead is detected in a non-regulatory sample as part of our targeted proactive survey in a 'hot spot area' or school or nursery

It does not include any lead communication or supply pipe replaced opportunistically as part of leakage or mains renewal activity.

Outcome B: Water always there

B7: Properties at risk of receiving low pressure

Short definition

The total number of properties that have received, and are likely to continue to receive, pressure below the reference level.

Measurement

Number of properties in whole numbers (0 decimal place).

Measured, assured and reported on financial year basis (1st April – 31st March).

Mitigation / exceptions

In line with the Ofwat definition the following exclusions apply to remove the impact of one-off events. Exclusions include:

- One off incidents
- During planned maintenance
- If low pressure is caused by firefighting activity
- If low pressure is caused by third party activity
- Under abnormal demand

Any other information relating to the performance commitment

During 2020-25 we will be putting in place improved measurement and enhancing our modelling capabilities. This will enable us to measure pressure more accurately and relate it to complaint data so that post 2025 we can introduce a more customer focussed performance commitment.

This performance commitment fits entirely in water network plus.

Full definition of the performance commitment

The definition of this measure is the same as that set out in the long list of asset health metrics; <https://www.ofwat.gov.uk/wp-content/uploads/2017/12/Properties-at-risk-of-receiving-low-pressure.pdf>

The measurement is based on a surrogate for the reference level, because of the difficulty in measuring pressure and flow at the main stop tap. In line with the definition we use a surrogate of 15m head in the adjacent distribution main. This reference level is adjusted in line with the Ofwat definition for properties served by a common supply pipe.

From the two options available for taking account of abnormal demand we will continue to exclude properties where logger records verify that up to five incidents of low pressure lasting more than one hour have occurred.

Outcome C: A thriving environment

C1: Length of river water quality improved

Short definition

The length of river benefitting from quality improvement work undertaken by Hafren Dyfrdwy to meet Water Framework Directive (WFD) objectives.

Measurement

River length will be measured and reported in km. Reporting will be annually, on a financial year basis (1st April – 31st March).

Mitigation / exceptions

All of the Water Framework Directive improvements covered by this performance commitment are included in NEP3, as issued by Natural Resources Wales in March 2018. There are no WFD obligations placed upon Hafren Dyfrdwy by the WINEP3 document issued by the Environment Agency in March 2018. Whilst a length of river in England will benefit from one of the WFD projects, the waterbody in question is managed by NRW for regulatory purposes, the sewage works in question is in Wales and the obligation is in NRW's NEP3.

The length of river counted will not include any downstream waterbodies, except where upstream improvements also deliver a fair share contribution towards an overall WFD improvement in the downstream waterbody. Where this is the case, confirmation of a fair share contribution must be agreed with NRW.

River quality improvements in Wales arising from improvement works paid for in full by Severn Trent Water (for the purposes of improving downstream rivers in England) shall not count towards the Hafren Dyfrdwy performance commitment.

Any lengths of river in England that benefit from improvements paid for in full by Hafren Dyfrdwy shall count towards the Hafren Dyfrdwy performance commitment. [Note: The NRW NEP3 includes improvements to the River Camlad, a cross border waterbody treated as being in Wales for WFD regulatory purposes.]

Due to ongoing uncertainty around possible new nutrient sensitive area designations under the Urban Wastewater Treatment Directive in Wales – lengths of river improved under UWWTD are specifically excluded from the performance commitment, except where such an improvement also meets the WFD improvement criteria outlined above.

Any other information relating to the performance commitment

This performance commitment fits entirely in waste water network plus.

Full definition of the performance commitment

- 1) For projects that deliver a fair share contribution towards an overall waterbody classification improvement under the WFD, the length of river is defined as the published overall length of the waterbody improved. River Length data to be taken from Catchment Explorer database. *Catchment Explorer - Severn Uplands management catchment*.
- 2) For improvements that address a WFD failure at a specific river quality sampling point within a waterbody that, overall, complies with the relevant EQS (Environmental Quality Standard), the river length improved is defined as the length of river between the sewage works discharge point and the first compliant downstream river sampling point. Length will be measured in GISST.

The length of river benefiting from an improvement shall be measured on a per parameter basis. Where a sewage works improvement covers more than one discharge parameter, each improvement is measured individually, according to the rules set out above.

Outcomes are deemed to be delivered upon issue of a revised permit to discharge (encompassing such new conditions as are pertinent to the agreed improvement) by NRW. Where more than one project contributes to the river quality improvement objective, outcome delivery shall be based upon issuing of the last permit revision relevant to the improvement.

River quality improvements to meet WFD objectives are assessed on a fair share load removal basis. To count as an improvement, Hafren Dyfrdwy shall deliver a load reduction sufficient to meet its fair share contribution to the overall load reduction needed to deliver a change in WFD classification for the parameter being improved. Fair share load removal requirements will be jointly agreed with NRW as they will be the basis upon which revised discharge permit conditions will be calculated. For the purposes of reporting against this performance commitment, it shall **not** be necessary to revisit these fair share load calculations - delivery of 'fair share' is implicit in the conditions contained within revised discharge permits.

Outcome C: A thriving environment

C2: Hectares managed for biodiversity

Short definition

Hectares managed for biodiversity or under a catchment intervention where our action has maintained or enhanced SSSI status, extended the presence of a priority species (Environment Act), extended a semi-natural habitat or built or maintained a high wildlife value structure on third party land (that also improves raw water quality or resilience).

Hectares under an agreed biodiversity action plan include;

- Hafren Dyfrdwy sites surveyed to identify opportunities and develop an action plan (part of NEP)
- Action plan agreed by NRW (or other suitable independent body)
- Actions implemented
- Site visit to confirm achievement of agreed actions

Measurement

The units are hectares of land actively managed for biodiversity, recorded to 1 d.p and the area will be measured using GIS.

Hectares delivered by catchment management biodiversity grant schemes will be self-reported with a sample audited by NRW (or other suitable independent body).

Mitigation / exceptions

This performance commitment is the customer protection measure relating to the biodiversity enhancement aspect of the WW01 cost adjustment claim. There are biodiversity enhancements (e.g. as part of the eels regulations) relating to other price controls which are not counted in this measure.

Any other information relating to the performance commitment

This performance commitment has been proposed as a customer protection mechanism associated with a cost adjustment claim relating to the wider waste water components of the NEP, and our obligations under the Environment Act (Wales) and Well-being of Future Generations Act (Wales) 2015.

The options for measuring the benefits of our investment in biodiversity and resilience of ecosystems could be assessed by a variety of measures covering diversity, scale and condition. We have consulted with expert stakeholders and discussed the measure with customers and an area based measure has been proposed as it covers most elements and can be verified by a third party.

This performance commitment falls entirely within wastewater network plus.

Full definition of the performance commitment

We have worked with expert stakeholders, including Wildlife Trusts and NRW, to develop the detailed criteria that will be used to define the biodiversity enhancements.

This performance commitment measures the number of hectares of land:

1. That we own and are under an implemented biodiversity action plan (i.e. following an ecological survey we have agreed an action plan to improve biodiversity and implemented improvements on the back of it).
2. Under a Hafren Dyfrdwy funded grant scheme supporting biodiversity on land that we do not own but can influence.

This performance commitment pertains to the number of hectares of land managed using a biodiversity action plan approved by a registered environmental body, such as Natural Resources Wales, or Wildlife Trust, a Hafren Dyfrdwy funded grant scheme that enhances biodiversity through a series of measures, that are pre-agreed. These measures cover the following categories of land and actions:

- Land owned by Hafren Dyfrdwy that is a Site of Special Scientific Interest (SSSI) where our action contributes to the SSSI moving toward favourable status
- Other land owned by Hafren Dyfrdwy where action is taken to improve the habitat such that Section 7 priority species have an opportunity to thrive and multiply. This could be changes to land management practices. This element will be underpinned by site biodiversity action plans and the measures implemented subject to independent expert corroboration by bodies such as Local Wildlife Trusts.
- Delivering all biodiversity related National Environment Programme (NEP) obligations, including removal of remove invasive non-native species, in partnership with third sector groups such as Wildlife and Rivers Trusts.
- Changes to land management practices on land that we don't own, delivered through partnership working with the agricultural community. This will be limited to a predefined set of qualifying measures that will be agreed with Natural Resources Wales. Validation that the agreed interventions funded by Hafren Dyfrdwy have been implemented will be through our catchment team inspections and assurance of this data/information.

Frequency of PC measurement and any use of averaging	Annual measurement, no averaging.
Timing and frequency of rewards/penalties	Penalty only applied at end of period
Form of reward/penalty	Penalty investment financed by shareholders, no RCV addition. No Reward
Any other information or clarifications relevant to correct application of incentive	The total performance commitment is for Hafren Dyfrdwy to deliver 450 Hectares under an implemented biodiversity action plan. Assessment by agreed third party (or Wildlife Trust) after implementation of the agreed activity will confirm the number of hectares.

Outcome C: A thriving environment

C3: Satisfactory sludge disposal

Short definition

Compliance with sludge use and disposal standards as part of the Environment Agency EPA requirements.

Measurement

Compliance will be measured, assured and reported on an annual basis (1st April – 31st March). Satisfactory disposal is measured as a percentage to 2 decimal places.

Mitigation / exceptions

Exemptions are in line with EPA definition, and will change in line with EPA if these change in the future.

Any other information relating to the performance commitment

All of the sludge in Hafren Dyfrdwy is currently transferred by tanker to a third party company for further treatment and then disposal. Therefore, this measure will be based on any third party company confirming to Hafren Dyfrdwy that the sludge has been disposed of satisfactorily. A contract is being set up between the two current parties (Hafren Dyfrdwy and Severn Trent Water) to create a formal agreement specifying that Severn Trent (England licence) will dispose of all sludge satisfactorily and provide confirmation on an annual basis that this has been done. A similar contractual agreement will be drawn up with any other third parties that we may trade with in the future.

This performance commitment falls entirely within the bioresources price control.

Full definition of the performance commitment

The overall percentage compliance of sludge satisfactorily disposed to agricultural land that complies with the standard as defined in the Environmental Performance Assessment (EPA) definition.

Outcome D: Making a positive difference in our communities

D1: Inspiring our customers to use water wisely

Short definition

Number of people who have agreed to change their behaviour as a result of our educational activities.

Measurement

Number of people (0 d.p.).

This will be measured through the completion of an educational activity resulting in a behaviour change commitment being made. This activity will support the following behaviour changes:

- Using wonderful water wisely (not wasting water)
- Knowing what not to put down the toilet and the sink
- Choosing tap water for a healthy you and healthy environment (reducing plastics)

Measured, assured and reported at financial year end (1st April – 31st March) by summing the total number of people who have agreed to change their behaviour towards any of our three core behaviours.

Mitigation / exceptions

We will not count

- the same person pledging to change the same behaviour more than once

We have allowed for this exclusion in acknowledgement that a pledge will be something that is committed to be undertaken for the long term.

Any other information relating to the performance commitment

Our research shows that our customers would like to see education playing a key part in our future, and they would like us to do more to increase awareness on positive water and wastewater behaviours. We have therefore completely overhauled our education programme and created a fully immersive, innovative experience that we will offer to hundreds more of our customers. We will complement this offer with new digital tools as we know that digital is a channel of choice and key education tool for today's customers.

Our research also shows that health, wellbeing and the environment are important topics for our customers. We are therefore introducing a new education message for AMP7; 'Choosing tap water for a healthy you and a healthy environment'. This message is designed to teach the benefits of good hydration (and help support some macro social issues such as levels of obesity), and to encourage our customers to reduce the amount of plastic bottles they use in line with Defra's 25 year plan.

This Performance Commitment is an enhancement of the current Severn Trent performance commitment (for our customers in Mid Wales), AMP6 SE-1/WF-1 Performance Commitment (Improved understanding of our services through education) as it now focuses on measuring the number of people who have agreed to change their behaviour as a result of our engagement activities, rather than just measuring the number of engagements.

It will focus on us asking our customers to agree to change their behaviour against one, or all of the following three areas:

- Using wonderful water wisely (not wasting water)
- Knowing what not to put down the toilet and the sink
- Choosing tap water for a healthy you and a healthy environment (reducing plastics) We will promote these messages throughout the customer life-cycle (in schools, at home visits, in community groups, to targeted audience groups (such as students)) through a range of engagement activities designed to inspire positive water and wastewater behaviours for life. These engagements include:
- Improved face to face engagement: we will increase the immersive and experiential nature of our face to face engagements so that they better embed behaviours and learnings for the long term. We will target interventions throughout the customer life-cycle but our main focus will be on inspiring a generation of primary school children aged between 7-11, because experts have cited that they are the most receptive to learning and embedding behaviours for life.
- New digital and mass media engagements: our customers interact with us in many different ways, and increasingly via digital channels. We will provide information and engaging materials through a range of channels and media that will educate and inspire customers to change their behaviours. It will encourage completion of an educational activity resulting in a pledge being made.
- Introducing a new message about tap water: we recognise the broader societal impact that we can have by introducing a new message (“Choosing tap water for a healthy you and a healthy environment (reducing plastics)”). From our research we know that these are important topics for our customers too, and in delivering this message we can help in supporting some of the biggest challenges we have in society today. We are working with health professionals and charities to align our messaging and maximise delivery.

This Performance Commitment will count the outputs of these engagements through the number of behavioural change pledges made as a result of our education work.

Throughout AMP7 we will also look to correlate our education programme with some of our other Performance Commitments – the outcome of our education work should be reflected in our water efficiency results and our blockages and sewer flooding results, for example.

Full definition of the performance commitment

We will carry out educational engagement to inspire our customers to agree to a change in behaviour. We will count the number of behavioural change pledges made through our work in schools and other customer engagement channels.

For this Performance Commitment “agreeing to a change in behaviour” has been defined as:

- 1 person signing up to live by one of our three core messages (as defined above), through either of the following interventions:
- at least a 30 minute face-to-face engagement utilising comprehensive sets of teaching and learning support materials aligned to the principles in the UKWIR guidance
- a digital interaction utilising modern digital engagement tools (such as gamification or an interactive quiz)

Outcome E: Wastewater safely taken away

E3: Sewer blockages

Short definition

The total number of sewer blockages on Hafren Dyfrdwy's sewer network (including sewers transferred in 2011).

Measurement

Number of incidents (0 d.p.). Measured, assured and reported on an annual basis each financial year (i.e. 1st April – 31st March).

Blockages are recorded on the company SAP system and location (grid reference or postcode) is a compulsory field which will enable us to identify which blockages occur in Wales.

Mitigation / exceptions

No mitigation / exceptions.

Any other information relating to the performance commitment

This is a continuation of the Severn Trent AMP6 performance commitment S-A4: Asset stewardship – Blockages. This has been compared to the sewer blockages definition from Ofwat's Asset Health long listⁱ.

Full definition of the performance commitment

The number of sewer blockage events per year that require cleaning. A blockage is an obstruction in a sewer (including sewers transferred in 2011) which causes a reportable problem (not caused by hydraulic overload), such as flooding or discharge to a watercourse, unusable sanitation, surcharged sewers or odour.

- i. Ofwat Asset Health long list. <https://www.ofwat.gov.uk/outcomes-definitions-pr19/>

Outcome F: Lowest possible bills

F1: Number of void supply points

Short definition

The reduction in the number of residential and business void supply points (a property connected for water services that does not receive a bill or is thought to be unoccupied).

Measurement

Supply points (0 d.p)

Measured on an annual basis each financial year (i.e. 1st April – 31st March), the definition of a void property will be in line with the Annual Performance Report definition. It is measured as the change in residential & business void properties year on year.

Mitigation / exceptions

No mitigation / exceptions

Any other information relating to the performance commitment

This is a new performance commitment for PR19. It is in line with Ofwat's Affordability guidance and is beneficial for customers as it spreads bills across as many customers as possible.

Full definition of the performance commitment

A void is defined as a property (residential) or supply point (business) connected for water services that does not receive a bill or is thought to be unoccupied. To ensure we keep the lowest possible bills for all of our customers we will commit to reduce the number of void supply points over the course of AMP7.

Outcome G: An outstanding customer experience

G3: Non-household customer experience

Short definition

Non-household customer satisfaction, as measured by a tracker survey.

Measurement

Non-household customer satisfaction will be measured, assured and reported on an annual basis (1st April – 31st March).

It will be determined through a customer survey, carried out by an independent party. The score to 1 d.p will be the average score given by all non-household customers through the year.

Mitigation / exceptions

We will only include non-household customers who aren't eligible for the market.

Any other information relating to the performance commitment

This performance commitment falls entirely within the non-household retail price control, and measures overall experience with Hafren Dyfrdwy, rather than a specific interaction.

This performance commitment has been developed in collaboration with Dŵr Cymru Welsh Water and CCWater, and we are currently discussing a common survey approach with Dŵr Cymru Welsh Water. This is because this measure is only required for companies operating mainly or wholly in Wales. A common measure will allow direct comparison with Dŵr Cymru Welsh Water, something which is in both our interests, and those of customers.

Full definition of the performance commitment

Non-household customers will be contacted by telephone and within a series of questions, they will be asked "How satisfied are you with the way that Hafren Dyfrdwy handle your account?" They will be given a range 1=very satisfied and 5 = very dissatisfied.

The sample will include customers selected at random, including customers who have had reason to contact us (in relation to either a query or complaint) and those with unresolved issues.

We are working with CCWater to identify an appropriate sample size to get a statistically representative result whilst acknowledging the small non-household customer numbers. We will balance this with the frequency of the survey, but will carry out a minimum of two waves per annum.

Our historic view of non-household customer satisfaction comes from our customer tracker survey, which since 15/16 has included samples of both household and non-household customers in North Wales and Chester. Each survey asks customers a number of questions regarding their satisfaction and experience of our services. In 17/18 we extended the tracker to cover household customers in Mid Wales, and in 18/19 we are extending it to cover non-household customers in Mid Wales. We have included the question for this performance commitments in the 18/19 wave.

Outcome G: An outstanding customer experience

G4: Welsh language services

Short definition

Percentage compliance with the Hafren Dyfrdwy Welsh language scheme.

Measurement

Percentage of the commitments made in the company Welsh language scheme that we can demonstrate we are compliant with. Measured to 1 d.p.

Measured, assured and reported on a financial year basis (1st April – 31st March). In addition to the business as usual assurance process we will obtain independent assurance by the Welsh Language Commissioner, or another suitable independent organisation no later than 2022-23. This will be used to both assure the assessment methodology and allow sufficient time to respond to any learning or improvements they identify.

Mitigation / exceptions

Any additional requirements that may be required as a result of future changes in the Welsh language standards will be excluded from this assessment.

Social media is not included in the list of functions / activities / areas audited (detailed in Appendix 1) as it does not fall within the scope of the Welsh Language Act.

Any other information relating to the performance commitment

We are currently reviewing the existing Dee Valley Welsh language scheme and considering the insights gained through various stages of customer engagement. It is clear that the Welsh language is part of what it means to live and work in Wales and is a recognised part of Welsh culture and heritage. In response to this we are reviewing our service offering and creating a Hafren Dyfrdwy Welsh language Scheme which we will take through the Welsh Language Commissioner's approval process and ensure it is in place from 1st April 2020. This performance commitment is a way of emphasizing the importance and significance of this service to our customers and being transparent about the services included in the scheme and whether we are delivering them fully.

We are also considering how we can report our contribution towards the Well-being of Future Generations (Wales) Act national indicators.

The two relevant national indicators are:

- percentage of people who speak daily and can speak more than just a few words of Welsh
- percentage of people who can speak Welsh.

This performance commitment relates to the household retail price control.

Full definition of the performance commitment

The Hafren Dyfrdwy Welsh language Scheme will not be approved by the Welsh Language commissioner until the winter 2018/19. We have engaged with them during the development of the scheme and the audit set out in appendix 1 below, is based on the latest version.

Only sections 1.1 up to and including 1.6 will be used to derive the PC score. Sections 1.7-2.2 will be logged and tracked but not converted into a score. These are aspects that we need to understand to improve our service and understand our contribution to the wider Welsh language ambition in Wales, but they do not relate to the statutory requirement.

The % compliance calculation will be based on the following calculation to ensure that each audit section is equally weighted (and not weighted by the number of questions within the section). Each section carries 10 points (60 points in total = 100% compliance):

Audit section	Number of questions	Section score calculation
1.1	9	Each yes answer is worth 1.11 points (10/9)
1.2	4	Each yes answer is worth 2.5 points (10/4)
1.3	3	Each answer is worth 3.33 points (10/3)
1.4	3	Each answer is worth 3.33 points (10/3)
1.5	4	Each yes answer is worth 2.5 points (10/4)
1.6	9	Each yes answer is worth 1.1 points (10/9)

We will then sum all of the points which gives a score out of 60. A score of 60=100% and a linear scale will be used to convert any other score, such that $1/60 = 1.67\%$.

Appendix 1

Welsh Language Scheme Audit

Functions / Activities / Areas audited:

Web site, main reception area, Customer Services reception area, telephony, Network Operations Customer Delivery, Quality and Environment, Company vehicles, Presentations and key customer facing documents & reports (eg APR).

1.1 Web site [worth 1.11 points each]

We have a single version of our company web-site. There is live functionality to translate pages between English and Welsh languages.

<https://www.hdcymru.co.uk/>

The Welsh web site should reflect the content and functionality of the English version so that customers wishing to use our Welsh web site are treated no less favourably than those using the English version. The term `no less favourably` is a term used frequently in the Welsh Language Regulations.

The web-site has the functionality to translate individual pages into Welsh.

Page	Subject matter	Is information available in both Welsh and English?
News		Yes / No
Media		Yes / No
Investors		Yes / No
About us		Yes / No
Careers		Yes / No
Library		Yes / No
Contact		Yes / No
Check my water supply		Yes / No
Online account log-in		Yes / No

1.2 Main Reception Area – Wrexham [worth 2.5 points each]

The main reception area has XX notices for customers –

Notice	Bi-lingual or Welsh version?
No smoking	Yes / No
Information of testing of fire alarms	Yes / No
HDD Welsh Language Scheme	Yes / No
Subsidised leak scheme and information leaflets	Yes / No

Our Welsh office reception (Wrexham) has an information panel with leaflets displayed.

If a customer came into our Welsh office reception (Wrexham) to raise an issue in Welsh our staff would be able / unable to conduct the conversation in Welsh beyond the initial greeting before either having to revert to English or pass on the customer to another Welsh speaking member of staff.

1.3 Customer Services reception area [worth 3.33 points each]

Include all leaflets (all surfaces)	Bi-lingual or Welsh version?
Need help paying your water bill – leaflet	Yes / No
Complaints – leaflet	Yes / No
Customer Water Quality – booklet	Yes / No

1.4 Telephone greeting [worth 3.33 points each]

Telephone communication	Bi-lingual or Welsh version?
Main telephone greeting is bi-lingual (846946)	Yes / No
Customer Services (833200)	Yes / No
Developer Services (833247)	Yes / No

1.5 Network Operations – Written communication [worth 2.5 points each]

See table below, detail the team and letter types issued over prior 12 months, issued through the CIS system.

Section	Letter	Bilingual / Welsh translation available	Number issued in 12 month period
FMO letters		Yes / no	
Traffic management MW & Project		Yes / no	
Network & Regs		Yes / no	
Developer Services		Yes / no	

1.6 Customer Delivery - Printed material for publication [worth 1.11 points each]

Forms	Welsh Translation available	Number issued in 12 month period
H2H Application Form	Yes / No	
Watersure Tariff	Yes / No	
Additional Services	Yes / No	
Leak Allowance	Yes / No	
Direct Debit Forms	Yes / No	
Flush Allowance	Yes / No	
Leaflets	Yes / No	
Social Tariff	Yes / No	
Complaints Leaflet	Yes / No	

1.7 Customer billing [not included in PC score]

Number of customers requesting comms in Welsh: X

Number of customers receiving comms in Bi-lingual format: X

Comments:

1.8 Quality and Environment [not included in PC score]

There are no standard letters or leaflets that originate from this department and no customers have previously expressed a wish to be communicated to in Welsh to this dept.

1.9 Company vehicles [not included in PC score]

Review proportion of company vehicles with bilingual logo`s with both languages equally prominent.

2.0 External Presentations and reports [not included in PC score]

Investigate/ review evidence of the number and types of external presentation e.g. CCW, CAB and reports e.g. customer facing annual performance report and key price review information.

2.1 External signage [not included in PC score]

Investigate the presentation of external signage – Standard is Bi-lingual presentation text side by side.

Conclusions

It would be reasonable to conclude that both languages are / are not treated the same at present and the Welsh language can be regarded as treated less / no less favourably than English.

Actions

- Review of actions from previous audit

New actions

- Record and ensure ownership and clear accountability for actions
- Give a briefing to key stakeholders on the current Scheme and those likely to be involved in the application of the forthcoming Standards.
- Provide update at the Wales Coordinating Committee

Signed:

Date:

Outcome H: A service for everyone

H1: Supporting our Priority Service customers during an incident

Short definition

The percentage of customers in vulnerable circumstances (CIVC) who are registered on our Priority Service Register (PSR) that we provide support to during a clean water incident.

Measurement

Measured as a percentage, as a whole number (0 d.p.)

- The number of PSR customers supported during incidents is recorded on our SAP/Target system/Excel report. The number of PSR customers impacted by an incident will be calculated as those living in the area impacted by the incident.
- The number of PSR customers supported during incidents is divided by the total number of customers on the PSR which were affected by incident, multiplied by 100.
- Measurement will be recorded after each incident.
- Measured, assured and reported on an annual basis (financial year i.e. 1st April – 31st March)

Mitigation / exceptions

See Appendix 1

Any other information relating to the performance commitment

This is a new Performance Commitment for PR19.

Full definition of the performance commitment

This performance commitment is designed to ensure we provide customers in vulnerable circumstances (CIVC) with the support that is relevant and needed by them during clean water incidents. This performance commitment measures the percentage of CIVC who are registered on our Priority Service Register (PSR) that we provide support to during a clean water incident.

A customer in vulnerable circumstances (CIVC) is defined as “a customer who due to personal characteristics, their overall life situation or due to broader market and economic factors, is not having reasonable opportunity to access and receive an inclusive service which may have a detrimental impact on their health, wellbeing or finances”. Our Priority Service Register (PSR) records all customers who have classified themselves as eligible. The support which we provide to PSR customers during an incident is outlined in the PSR support matrix which aligns customers’ health and wellbeing needs with the support offered (see appendix 2).

For every incident in scope the number of PSR customers who we provide support to, is added over the year and is expressed as a percentage of the total number of PSR customers impacted by every incident over the year. This overall percentage will be reported to 0 decimal places.

We have forecast that we will have c.2500 customers on our PSR by 2024/2025, this equates to around 2% of our customer base being registered for bottled water. Due to the facilities available at a group level, we are confident that we would be able to provide support to all of or CIVC in the event of a larger scale incident (max. would be 50,000 if Llwyn Onn was to fail) which would equate to 1000 customers requiring bottled water using the above methodology. With this in mind, we will not have any exceptions based on scale of incident.

Discolouration and low pressure events are out of scope of this performance commitment.

Reasoning & clarification of scope

Incidents out of scope relate to those that impact customers for less than six hours for which customers may not need bottled water and it would not be practical to deliver in this timescale. The performance commitment requires the bottled water alternative supplies process to be triggered (for example request submitted to the contracted supplier and mobilised) before the six hours, it does not require all of the bottled water to have been delivered within the 6 hours. For example, our current incident best practice process would look to invoke the bottled water deliver process for vulnerable customers if there is no restoration plan on our network at hour three.

The communication elements of the service offering (contacting dialysis customers, proactive messaging and nominee messaging) would be mobilised before the six hours. We have chosen not to measure against this being mobilised for incidents less than 6 hours as this would require a compound measure which is against OFWAT performance commitment guidance.

There are times when it may not be safe to deliver bottled water to customers in vulnerable circumstances – where access is inhibited due to severe weather such as snow and the roads are closed, or where the area is flooded. Where this is the case we will do everything possible to deliver bottled water to customers but cannot put the safety of our teams at risk. If we are unable to deliver then we will attempt to contact the customer(s) and inform them. In these cases we will record unsuccessful delivery of support.

Tailoring and adapting our service to meet customer needs

Our service offering is focussed on delivering a tailored service to meet customers' individual needs based on theirs and the event circumstances. Therefore we are proposing to truly tailor support and review the standard offering in line with the specific event circumstances. We recognise that in some circumstances it is not always in the best interest of customers for us to provide the agreed additional support, for example sending communication (text or recorded landline messages) at night whilst customers are asleep. When we have sent proactive incident messages during the night historically we have received feedback from customers that they did not require it and questioned why we had done it as it had disturbed their sleep. In addition delivering bottled water to a customer's doorstep in the middle of the night might cause anxiety as customers might think they are being burgled or their family are awoken by the noise. We will therefore be further adapting and tailoring our service to consider these circumstances when supporting customers and will not deliver bottled water or proactive messages/calls to customers between the hours of 11:30pm and 5am, unless a customer specifically contacts us during the incident to request that we do. In these circumstances of further adapting our service between 10pm and 5am we will classify this as compliant in terms of measurement. This measurement will be assured through our normal audit processes.

Currently the best option for meeting customers in vulnerable circumstance needs is to deliver bottled water to their doorstep where required. There are environmental concerns around the amount of plastic we generate as a nation. Before 2024/25 there may be a different option available to water in plastic bottled. If this area does evolve and we change the form of our support offering this will be reflected in our performance commitment measurement where we currently state 'bottled water delivery'.

Appendix 1 – Example of incident support offered

Today we will deliver bottled water to all customers on our PSR as our current system does not allow us to identify specific requirements. In future we will be segmenting our customers on the PSR and tailoring the service. We will only be delivering bottled water to the customers' in vulnerable circumstances that really need it. We will also be introducing new support offering of sending an SMS or landline message to a nominee. We will also be offering an alternative print format water quality notice for certain customer groups. Finally we will be looking to send a more tailored SMS or landline message to customers across specific vulnerable circumstance groups – for example a deaf customer would prefer an SMS where a sight impaired customer would prefer a landline message.

There is a project underway to redesign our priority service register to enable us to capture the specific vulnerable circumstance so we can identify customers who need these different service offerings. The new PSR

system is expected to be delivered by the end of March 2019.

In the design of the new PSR we will be aligning our vulnerable circumstance categories to a water industry standard. This standard is currently under development through a collaborative activity between all water companies being led by Water UK. This standard will be complete later in 2018.

The support which we provide to PSR customers during an incident will be aligned to a PSR support matrix which aligns customers' needs with the support offered. Below is an example of what the matrix might look like for the physical vulnerable circumstance customers across four of the proposed service offerings (tailored communication not in matrix below). This support matrix will be completed when the water industry categorisation has been completed, however the process has already lead to the refinement of our special categories to focus on the customers.

Physical vulnerable circumstance	Bottled water delivered to customer property*	Continuous Water requirement – priority customer contact	Nominated contact communication	Water quality notice options
Blind	✓	⊗	✓	Audio version online
Hearing/Speech difficulties (including d/Deaf)	✓	⊗	✓	Key video updates available online with British Sign Language Social media/website updates
Partially Sighted	✓	⊗	✓	Large print notice; Pictorial notice (standard)
Physical impairment	✓	⊗	✓	N/A
Dialysis, feeding pump and automated medication	✓	✓	⊗	N/A
Chronic/Serious illness	✓	⊗	✓	N/A

* Bottled water as an indicator on the PSR flag is transient in nature. The advisor can select or de-select these options as appropriate based on the customers' situation. The above is an example of the 'standard' options that are pre-configured for each physical vulnerable circumstance when the PSR code is selected but these are changeable based on the customers' needs.

When a customer registers for the PSR the support available to them will be reviewed to ensure it meets their personal needs. Therefore for example a customer who is registered for sight impairment might still want their bill in an alternative format but may feel they do not need bottled water delivery during an incident as they have a family member in the household who can collect this for them from one of the distribution points. If this is the case then this will be changed on the PSR system so the support a customer receives is what they have requested

Outcome H: A service for everyone

H2: Help to pay when you need it

Short definition

The percentage of struggling to pay customers supported through tailored schemes.

Measurement

Percentage (0 d.p.)

1. To calculate the percentage of customers struggling to pay

- The total number of customers struggling to pay is derived from an econometric modelling forecast of affordability levels using historical quarterly tracker data.
- A forecast unaffordable % will be calculated for each year (2020-2025) and translated into number of households that find bills unaffordable.

2. To calculate the number of customers on a tailored scheme

- The number of customers on Social tariff and Watersure tariff will be taken as the number of customers on either scheme as at 31st March of the relevant year.
- The number of customers supported through Water Health Checks, Payment Matching, Payment Plan Concession and Payment Breaks will be taken as the total number of customers helped, at any point, within the reporting financial year (i.e. 1st April – 31st March).

The total number of customers on schemes (point 2) is divided by the total number of customers finding bills unaffordable (point 1), multiplied by 100 (%) to give the % of struggling to pay customers supported through tailored schemes.

Mitigation / exceptions

There are no mitigations or exceptions.

Any other information relating to the performance commitment

This is a new performance commitment and is a robust estimation of the total number of customers struggling to pay and includes all tailored support schemes. It is represented as a percentage rather than a number. This will make it easier for customers to understand the degree to which we are helping all of the customers who find bills unaffordable.

Full definition of the performance commitment

This performance commitment measures the proportion of customers who find their bills unaffordable, whom are supported through any help to pay scheme. The current support schemes offered include;

- Social tariff
- Watersure
- Water health Checks
- Matching Plus
- Payment Plan Concession
- Payment Breaks

However, additional schemes may be added and current schemes may be expanded. Reporting of this measure will therefore also include any customers supported through additional schemes which are set up during AMP7, and the extension or expansion of any listed scheme. In the instance where a scheme is added in AMP7 we will seek the approval of our Customer Challenge Group.

The historic view on the total number of customers struggling to pay is derived from an online survey which asks at least 200 customers every quarter a number of questions regarding their satisfaction with Hafren Dyfrdwy services.

One question in this survey asks customers about the affordability of their bills, of which the results were used to calculate the number of customers finding bills unaffordable (see 'measurement' section). This information is used in conjunction with the following variables in order to calculate the percentage of customers struggling to pay:

- The bill relative to 10th percentile income accounts which represents the probability of default.
- The total number of customers is the scale variable.
- The proportion of private rental properties and the proportion of metered properties are included as control variables.

Outcome H: A service for everyone

H3: Effectiveness of the affordability support

Short definition

The percentage of struggling to pay customers supported through our Social Tariff (Here2Help) who continue to pay their bill 12 months after the scheme has been completed.

Measurement

Percentage (1 d.p.)

1. To calculate the number of customers being considered

- It will include all customers on the social tariff scheme – Here2Help. Whilst we offer other support this scheme is the best reflection of whether we've assisted our customers financially. Including Watersure in this measure wouldn't add any benefit to the outcome, as a large proportion of customers that benefit from this scheme are on it for medical reasons, the majority of which would be a lifetime illness.
- We will identify all the customers where 12 months has elapsed since the scheme end date.
- We will not include customers who did not complete their scheme due to non-payment.

2. To calculate the number of those customers who are continuing to pay 12 months after

- All payments in the 12 month period following scheme end date will be reviewed. It will be a count of all customers who are paying their agreed bill at the agreed frequency.
- The 12 month period is based on 12 complete consecutive months (i.e will be based on individual 12 month period, specific to the date each customer completed their scheme)

The total number of customers who are continuing to pay their bill (point 2) is divided by the total number of customers who have completed schemes (point 1), multiplied by 100 (%) to give the % of struggling to pay customers supported through tailored schemes who are paying their bill 12 months after completing a payment scheme.

Mitigation / exceptions

If a customer moves out of the area/ ceases to have an account with us, they will be removed from the calculation.

Any other information relating to the performance commitment

This is a new measure that we are trialling to try to establish a method of tracking the effectiveness of our Social Tariff.

Full definition of the performance commitment

The percentage of struggling to pay customers supported through our Social Tariff (Here2Help) who continue to pay their bill 12 months after the scheme has been completed. Identified through customer accounts using our target system. A report will be created showing customer data where they were previously on the scheme, where no new Social Tariff special condition has been added and payments are being received in full. The data will be validated and further 10% of manual spot checks will be carried out by the internal audit team to ensure the data is correct.