

## Review of Bristol Water's performance during 2018/19

### A1: Unplanned customer minutes lost

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
mins/prop/yr	15.5	13.1	73.7	12.5	14.7	12.2

Detailed definition of performance measure: The total number of minutes that customers have been without a supply of water in the year, through unplanned interruptions, divided by the total number of properties served by the company in the year. Expressed as minutes/property; thus low is good. The incentive associated with this commitment is financial (reward and penalty).

Bristol Water's performance in 2018/19 against this measure at 14.7 minutes per property was significantly better than the 73.7 minutes per property per year achieved last year. Despite this much improved performance the company fell short of the target of 12.5 minutes per property per year.

The associated financial penalty incurred for 2018/19 is £739,000 with the total penalty accrued since 2015/16 now standing at £2.217m. £2.217m is also the company's latest forecast total penalty for 2015/16 to 2019/20.

The Challenge Panel recognises this performance against this measure can be significantly impacted by large unplanned supply interruptions. There were no such large incidents in 2018/19.

The company informed the Challenge Panel that an incident at Frenchay in Bristol, whilst not major, made the difference between meeting the PC target and missing it. Bristol Water considers this event could have been mitigated through better risk planning. It has informed the Challenge Panel that operational lessons have been learnt and new processes are in place. The Frenchay event also caused a rise in contacts and it also coincided with other supply interruptions around same period. With hindsight the company believes should have opened a formal incident to cover this busy period.

The Challenge Panel notes that the company continues to implement its new network strategy involving leadership changes, a new asset management function, a restructuring of its outsourced contractual arrangements and process and procedural improvements including a new work scheduling system. The Challenge Panel considers this ongoing transition had a beneficial impact in 2018/19 and this, combined with ongoing mains replacement and relining programmes, should mean the company becomes better placed to deal with such incidents in the future.

Atkins has confirmed that the company's reporting process for this measure is robust and the resulting data is sound.

### A2: Asset reliability – infrastructure (bursts/low pressure)

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
Assessment	Stable	Stable	Marginal	Stable	Marginal	Stable

Detailed definition of performance measure: A qualitative measure of the capability of the company's infrastructure assets (generally the water mains and other underground assets) to deliver an expected level

of service to consumers and to the environment. The assessment is based on the number of water mains bursts and the number of properties at risk of receiving low water pressure.

The reliability of the company's infrastructure assets in 2018/19 was assessed to be 'marginal', the same assessment as the previous year, and so missed the 'stable' target for the second year running.

The incentive associated with this commitment is financial (penalty only). The penalty accrued for 2018/19 is £685,000 and, as a result of Ofwat's incentive methodology, is the first penalty to be incurred in this price control period. Bristol Water is forecasting that £685,000 will be the total penalty incurred for the five years to 2019/20.

As for last year, the performance in 2017/18 against the low-pressure component of this commitment was good (lower than target). However, the number of mains bursts in the year at 1,074 exceeded the target of 950. On a positive note, the number of bursts at 1,074 was some 12% lower than the year before. The company informed the Challenge Panel that the freeze-thaw event towards the end of 2017/18 had an ongoing impact into 2018/19 and this, combined with the hot summer of 2018, had a detrimental impact on bursts numbers.

Atkins found that the company's procedures for reporting low pressure information to be satisfactory. Atkins also noted sufficient evidence of information checking on burst data. The Challenge Panel welcomes this improvement from last year.

### A3: Asset reliability – non-infrastructure

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
Assessment	Stable	Stable	Stable	Stable	Stable	Stable

Detailed definition of performance measure: A qualitative measure of the capability of the company's non-infrastructure assets (generally the above ground assets such as treatment works and service reservoirs) to deliver an expected level of service to consumers and to the environment. The assessment is based on the number of unplanned non-infrastructure asset maintenance events and the turbidity of water at treatment works.

The reliability of the company's non-infrastructure assets in 2018/19 was assessed to be 'stable' in line with the target for the year. This assessment has been achieved each year since 2015/16.

The Challenge Panel notes that the number of unplanned non-infrastructure asset maintenance events in 2018/19 was some 11% lower than the previous year.

The incentive associated with this commitment is financial (penalty only). No penalty was applied in 2018/19 because the target was met.

Atkins has confirmed that the company's reporting process for these measures are robust and the resulting data are accurate.

### B1: Population in centres >25,000 at risk of asset failure

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
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<b>Pop at risk</b>	288,589	288,589	9,063	<b>9,063</b>	<b>9,063</b>	9,063
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Detailed definition of performance measure: The total number of consumers in areas of population greater than 25,000 who are at risk of interruptions to their water supply in the event of a failure of a critical asset such as a treatment works. A low number is good.

The incentive associated with this commitment is financial (reward and penalty). No reward or penalty was applied in 2018/19 because, while the target was met, performance was within the incentive deadband.

The company's performance in 2018/19 was in line with the target because of the completion of the Southern Resilience Scheme last year.

Atkins has confirmed that the company's reporting process for this measure is robust and the resulting data is accurate.

### C1: Security of Supply Index

<b>Unit</b>	Actual 15/16	Actual 16/17	Actual 17/18	<b>Target 18/19</b>	<b>Actual 18/19</b>	Target 19/20
<b>Index</b>	100	100	100	<b>100</b>	<b>100</b>	100

Detailed definition of performance measure: This is the Ofwat measure used to assess the security of the company's water supplies. It takes into account the supply of water available to the company and the demand from its customers. The index is expressed as a percentage. 100% is good.

The incentive associated with this commitment is reputational.

The company's performance in 2018/19 was 100% in line with the target.

Atkins has confirmed that the company's reporting process for this measure is robust and the resulting data is accurate.

### C2: Hosepipe ban frequency

<b>Unit</b>	Actual 15/16	Actual 16/17	Actual 17/18	<b>Target 18/19</b>	<b>Actual 18/19</b>	Target 19/20
<b>Days/year</b>	1.5	3.1	3.1	<b>10.2</b>	<b>3.1</b>	10.2

Definition of performance measure: The likelihood in any one year that temporary usage restrictions such as the use of hosepipes will be implemented. This is expressed as return period in expected days per year for a defined severity of event. A low number is good.

The reported return period for 2018/19 was 3.1 days per year, the same as in the previous two years. The target for 2018/19 was 10.2 days per year (the same as last year) so the company's actual performance continues to be well within this.

The incentive is financial penalty only. No penalty was applied in 2018/19 because the target was met.

Atkins confirmed that Bristol Water’s reporting methodology for this measure is satisfactory and the reported number for 2018/19 is accurate.

#### D1: Mean zonal compliance

Unit	Actual 2015	Actual 2016	Actual 2017	Target 2018	Actual 2018	Target 2019
%	99.93	99.97	99.93	100	99.99	100

Definition of performance measure: Statutory indicator used by the DWI to assess overall water quality compliance each calendar year across all water companies in England and Wales. Expressed as a percentage; thus high is good. The incentive associated with this commitment is financial (penalty only).

The Challenge Panel notes that Bristol Water’s performance in 2018 against this measure was 99.99% against a target of 100%. Performance last year was 99.93% and, despite just missing the target for this year, the company’s performance has improved.

There is no associated financial penalty incurred for 2018 as performance was within the penalty deadband. The total penalty accrued to date since 2015 is £568,000. The forecast total penalty for 2015 to 2019 is £568,000.

The Challenge Panel was informed that performance improved in 2018/19 as a result of there being no problems on customers’ pipework. The compliance of water from the company’s assets remained high with only two failures out of 30,000 samples taken. Bristol Water informed the Challenge Panel that both failures related to network issues.

Atkins has confirmed the reporting process for this measure remains fit for purpose and the resulting data are sound.

#### E1: Negative water contacts

Unit	Actual 2015	Actual 2016	Actual 2017	Target 2018	Actual 2018	Target 2019
contacts/year	2,329	2,162	1,711	2,275	1,934	2,221

Definition of performance measure: The number of customer complaints received each calendar year in relation to the taste, colour and odour of customers’ water supply. It excludes any discoloured water complaints associated with events notified to the DWI but includes ‘air in supply’ complaints. A low number is good. The incentive associated with this commitment is financial (reward and penalty).

The Challenge Panel notes that while Bristol Water’s performance against this measure was within target, the number of negative water contacts increased by 223 (13%) over 2017. The company has cited the increased activity on its mains network and a reduction in its systematic flushing programme as reasons for this. The legacy of the cold weather at the start of the year, the hot summer and increased leak reduction activity were contributory factors.

Whilst the Challenge Panel accepts these factors may have contributed to the increased numbers of negative water contacts received in 2018, it is disappointed to see that the reducing trend of such contacts over the last three years was reversed. It encourages the company to do all it can to minimise such contacts and will monitor performance in the coming year.

Atkins has confirmed the company's reporting process for the measure and the resulting numbers are robust.

### F1: Leakage

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
MI/day	44.2	47.4	49.6	44.0	45.8	43.0

Definition of performance measure: The amount of water that enters the distribution system but is not delivered to customers because it is lost from either the company's or the customers' pipes. Leakage is measured in megalitres per day (MI/d). A low figure is good. The incentive is financial (reward and penalty).

The company reviewed its leakage calculation methodology in 2016/17 and updated and increased its estimate of non-household night use, one the components that make up the calculation. The company explained in detail in its Annual Performance Report for 2016/17 the rationale for revising its estimate and the comparability and consistency of this with the leakage targets included in its Final Determination. The company also informed Ofwat of its revised assumptions.

In 2016/17 Atkins reviewed the revised estimate, and other adjustments to the leakage methodology made by Bristol Water, and concluded that the basis of the latest reported leakage figure is more aligned to the Final Determination performance commitment. It considered the revised methodology and the reported leakage to be robust.

The reported leakage for 2018/19 was 45.8 MI/d, below the target of 44.0 MI/d. The reported leakage for 2017/18 was 49.6 MI/d so the latest performance represents a significant reduction in reported leakage (see below).

The incentive mechanism for leakage is based on average figures for the five years of the AMP period. The associated financial penalty incurred for 2018/19 is £1.804m based on the original Final Determination target and methodology. The total penalty accrued to date since 2015/16 is £2.706m. The company is forecasting to meet its leakage next year, based on its new reporting methodology. However, it is assuming the incentives associated with its leakage performance will be calculated with reference to the original Final Determination leakage targets. This means it is anticipating a total penalty of £2.706m to be incurred for 2015/16 to 2019/20.

In 2016/17 Bristol Water informed the Challenge Panel that it was assigning more resources to reducing leakage so the Challenge Panel is pleased to see that the company's efforts have been successful in 2018/19, particularly as leakage had increased between 2016/17 and 2017/18. The Challenge Panel is also pleased to learn that Bristol Water is confident of meeting its leakage target in 2019/20. Indeed, the company hopes to out-perform this target but this is weather dependent. It has reviewed and increased productivity, eliminated the backlog of leakage work and increased in-house staff numbers assigned to leakage reduction activities.

Atkins has confirmed that the company's leakage reporting methodology for 2108/19 and the resulting data are robust.

## G1: Meter penetration

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
%	47.3	49.3	52.7	62.5	56.0	65.9

Definition of performance measure: The proportion of total properties of billed household customers that are charged for water on a measured basis. Expressed as a percentage; thus high is good. The incentive associated with this measure is financial.

As reported in previous years Bristol Water made a slow start implementing its plan to install meters on change of occupancy. The company increased its meter penetration to 56.0% by the end of 2018/19 but fell short of its target of 62.5%.

The associated financial penalty incurred for 2017/18 is £152,000. The total penalty accrued to date since 2015/16 is £574,000. The forecast total penalty for 2015/16 to 2019/20 is £722,000.

The Challenge Panel noted that Bristol Water's end of year meter penetration performance at the end of 2018/19 was less than forecast six months earlier. The company explained that this was partly due to fewer customer requests due to a slowdown in the housing market.

During 2016/17 the company developed and commenced a revised metering plan and it invited comments from the Challenge Panel on this. Bristol Water's revised plan was designed to meet the original meter penetration target by 2019/20 but the Challenge Panel now considers this to be ambitious and challenged the company to explain how it intends to do this. The company has informed the Challenge Panel that it is increasing its marketing activities including more advertising and it will be promoting its 'Beat the Bill' campaign again. The Challenge Panel will continue to monitor progress during the coming year.

Atkins has confirmed that both the company's reporting methodology and the resulting data for meter penetration are robust.

## G2: Per capita consumption

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
Litres/head/day	141.1	144.1	144.5	142.8	148.3	142.0

Definition of performance measure: The average amount of water (expressed in litres) used by each consumer each day. A low figure is good. The incentive associated with this commitment is reputational.

The per capita consumption reported for 2018/19 was 148.3 litres per head per day. The target for the year was 142.8 litres per head per day so was missed. The reported figure for the previous year was 144.5 litres per head per day so consumption increased by over five litres per head per day per (around 4%). Bristol Water informed the Challenge Panel that the increase was probably due to the warm weather experienced in May 2018 and the hot spell in June and July which resulted in higher demand and usage such as garden watering.

The Challenge Panel requested and received information on the company's efforts to encourage customers to use water wisely during hot weather and its other water efficiency promotions. The Challenge Panel is satisfied that the company makes reasonable efforts to reduce consumption but has requested further

information on its future plans to influence customer behaviour more generally. The company has agreed to share its plans with the Challenge Panel in the coming year.

Atkins considers the company’s reporting methodology and the resulting data for this measure are robust.

### H1: Total carbon emissions

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
kgCO <sub>2</sub> e/person	35	32	28	22	23	20

Definition of performance measure: The total carbon emissions from the activities of the company and its contractors expressed in kilogrammes of CO<sub>2</sub> (carbon dioxide) equivalent divided by the population supplied; thus low is good. The associated incentive is reputational.

Bristol Water reduced its carbon emissions from 28.6 to 23.0 kgCO<sub>2</sub>e per person from last year (a reduction of 18%) but just missed the 2018/19 target of 22 kgCO<sub>2</sub>e per person. It has missed all its targets since 2015/16.

As reported in previous years, the company has informed the Challenge Panel that the use of some standard industry definitions when the targets were set are proving to be too aggressive and cannot be met in a cost-effective manner. Despite this the company made good progress during the year and has informed the Challenge Panel of a number of projects it intends to progress over the coming year which will further offset the import of energy from grid and lower overall energy consumption. However, it remains unlikely to meet its 2019/20 emissions target of 20 kgCO<sub>2</sub>e per person. The Challenge Panel continues to be disappointed that this may be the outcome but accepts the reasons for this.

Atkins has confirmed that the company’s reporting methodology for this measure is adequate and the resulting number is reasonable.

### H2: Raw water quality of sources

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
%of AMP5 baseline aggregate of algal bloom frequency	+20% Deteriorating	+11% Deteriorating	-1% Marginal	+/-≤10% Marginal	-14% Improving	+/-≤10% for >2years Stable

Detailed definition of performance measure: A qualitative measure of the quality of the company’s sources of raw water that are at risk due to increased levels of pesticides and nutrients in their catchments. The assessment is made using a basket of chemical and physiological measures. The incentive associated with this commitment is reputational.

The company agreed with Ofwat a change to reporting this metric, therefore the targets are presented as a % change of the AMP5 baseline aggregate (8,059) of algal bloom frequency. The previous measure was based on a categorisation as either deteriorating, marginal, stable or improving, which the table above shows for comparison.

The quality of the company’s raw water sources in 2018/19 was assessed to be ‘improving’ in line with expectation. This represents an improvement on the positions reported in 2015/16, 2016/17 and 2017/18.

The Challenge Panel was interested in why performance improved significantly in 2018/19. Bristol Water said its work on catchment management with farmers (concerning improved farming practices) was being effective. The Challenge Panel also wished to understand how performance of this initiative was measured and monitored. It is not confident there is correlation of information provision to farmers and improved raw water quality. The company has agreed to provide more information on this to the Panel during the coming year.

Atkins has confirmed that the company’s reporting methodology for this measure is robust and the reported position is correct.

### H3: Biodiversity Index

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
Index score	17,649 Improving	17,650 Improving	17,657 Improving	17,652 Improving	17,668 Improving	17,653 Improving

Definition of performance measure: Bristol Water is required to carry out regular surveys at its sites to assess the level of biodiversity. This will involve quantifying the area of specific habitats available, together with their quality, importance and presence of significant species. The company will combine these measurements to create a quantitative “Biodiversity Index” for each of its sites and an aggregate Biodiversity Index for its overall landholdings. The Biodiversity Index calculation is: [Hectares of priority habitat or metres of linear habitat] x [status grade of this habitat]. The targets associated with this commitment are related to the company ‘improving’ its Biodiversity Index each year. The associated incentive is reputational.

The company agreed with Ofwat a change to reporting this metric, therefore the targets are presented as a numerical BI index score. The previous measure was based on a categorisation as either deteriorating, marginal, stable or improving, which the table above shows for comparison.

Bristol Water achieved an ‘improving’ Biodiversity Index in 2018/19, in line with its target. The Challenge Panel congratulated the company on its improving performance noting that the Biodiversity Index score will reduce due to natural degradation in the environment and that the company has to undertake environmental improvement work to counter this. It also noted that the company’s targets in the next price control period will be more stretching.

Atkins confirmed that the company’s reporting methodology for this measure and the reported number are robust.

### H4: Waste disposal compliance

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
%	96	96	98	100	98	100



Definition of performance measure: The percentage compliance against environmental standards of waste disposed from the company's operational sites. A high percentage is good. The incentive associated with this measure is reputational.

Bristol Water achieved 98% compliance against the 2018/19 target of 100%, the same as achieved in the previous year. Compliance issues remain at Barrow but the company intends to implement a remedial scheme for the reed bed discharge at this site. Despite this, a new discharge consent at Blagdon will mean the target is likely to be missed in 2019/20.

Atkins confirmed that the company's reporting methodology for this measure is satisfactory and the resulting data is robust.

### I1: Percentage of customers in water poverty

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
%	0.4	0.9	0.0	1.9	0.0	1.8

Definition of performance measure: Bristol Water has defined water poverty as the percentage of households within its supply area for whom their water charges represent more than 2% of their disposable income, defined as gross income less income tax. A low number is good. The incentive relating to this commitment is reputational.

The reported percentage of customers in water poverty in 2018/19 was 0%, the same as reported last year. The target percentage for 2017/18 was 1.9% so the Challenge Panel was pleased to see performance was well within this and maintains the excellent result from last year.

The Challenge Panel was keen to further understand the definition the company uses to determine water poverty. It established that Bristol Water uses a population analytics model and then deducts those customers whom it has supported via its Assist social tariff. The Challenge Panel queried how the company can be sure these customers are no longer in poverty. Bristol Water told the Panel that it can't be absolutely sure but that it can be confident that the customers to whom it provides help are unlikely to remain in water poverty. The Panel is satisfied with this approach.

The Challenge Panel notes that the company is planning research into its social tariff later this year and it enquired about how it might spend the extra money on in the current price control period if it gets support for the cross subsidy it is seeking. Bristol Water said it will extend its current systems to more people and that it will continue its partnerships with debt charities to identify such people. The Challenge Panel notes that other water companies work with public services such as the police and has suggested that Bristol Water explores such opportunities with the Avon & Somerset police force. The company has said it is already in contact with the Fire Service and that it will explore opportunities with other services.

Atkins has confirmed that the reported number comes from the third-party model and is robust.

### J1: Service Incentive Mechanism (SIM)

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
SIM score/	85	86	83	87	85	88

ranking	Top 5	Top 5	Outside Top 5	Top 5	Outside Top 5	Top 5
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Definition of performance measure: The Ofwat comparative measure of customer service that includes the number of complaints and unwanted contacts received and the performance in handling telephone contacts. It also includes a survey of customer's views on the service provided by the company. The result is the company's ranking in the industry. The incentive is financial (reward and penalty).

The company agreed with Ofwat a change to reporting this metric, therefore the targets are presented as the previous year's upper quartile SIM.

The Challenge Panel is pleased that the company's SIM performance improved from the previous year's SIM score of 83. However it fell short of the target of 87 and at 85 is outside the industry top five.

There is no penalty accrued for 2018/19 because the performance was within the penalty deadband defined in Ofwat's Final Determination.

The company told the Challenge Panel that its SIM performance in the first half of 2018/19 had been affected by significant operational incidents associated with the effects of the cold weather experienced in early 2018 and low-pressure problems resulting from the hot weather in the summer. Performance in the second half of 2018/19 was much improved and the Challenge Panel was pleased to learn that the company had implemented improvements to its customer systems and processes during this time. The Challenge Panel will monitor the ongoing impact of these improvements during the coming year.

Atkins informed the Challenge Panel that the reported SIM performance is robust. Last year it identified an issue concerning a small and immaterial number of calls not being logged but that the company resolved this issue in 2018/19.

## J2: General satisfaction from surveys

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
%	83	86	87	93	89	>93

Definition of performance measure: The percentage of customers responding to the company's annual household customer tracking survey who rate their satisfaction in respect of the company's service as excellent, very good or good. A high percentage is good. The incentive is reputational.

Bristol Water achieved a satisfaction score of 89% in 2018/19, two percentage points higher than the previous year. However the 89% satisfaction achieved fell short of the 2018/19 target of 93%. Whilst general satisfaction has increased each year, the targets have been missed in all years of the current period. The company considers customers' satisfaction was adversely affected by the operational challenges faced as a result of the cold weather conditions in the early part of the year and the hot summer.

The Challenge Panel notes the company's information shows the top reasons for dissatisfaction include poor quality work, poor response to problems and poor ground repairs after competing work in the field. The Challenge Panel was encouraged that the company continues to work hard to improve its customers' experience through initiatives including the improvement of its digital offering and its street working activities. Some of these initiatives were started in 2017/18. The Challenge Panel was also pleased to learn about the company's efforts to make its website more accessible to customers with disabilities. These

improvements should be implemented in the coming year. The Challenge Panel will monitor progress and effectiveness of the customer service initiatives during the coming year.

Atkins confirmed that the reported data for his measure have come from the associated survey commissioned by a third-party provider.

### J3: Value for money

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
%	70	72	69	72	68	72

Definition of performance measure: The percentage of customers who consider that the company provides good value for money. The measure is calculated from an independent survey of 200 customers each month who have had cause to contact Bristol Water on an operational issue. A high percentage is good. The associated incentive is reputational.

For 2018/19 Bristol Water reported a 68% performance for this measure against a target of 72%. Performance slipped from 69% the year before and from a high of 72% in 2016/17.

The company told the Challenge Panel that it believes its score has dropped because of the number of low-pressure contacts it received during the hot weather in summer 2018. The Challenge Panel continues to believe the increased publicity around re-nationalisation of the water industry and fines imposed on other water companies for poor performance may also have had an impact as it appears that falling value for money perception is being replicated across the industry.

The Challenge Panel is pleased to see that Bristol Water is striving to improve its customer service through the various initiatives mentioned elsewhere in this report.

Atkins have confirmed the company's reporting methodology and resulting data for this measure are robust.

### K1: Ease of contact from surveys

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
%	95.0	94.4	93.1	> 96.5	91.4	> 96.5

Definition of performance measure: The percentage of consumers who consider that Bristol Water is easy to contact by telephone, based on responses to a monthly telephone survey. Thus a high percentage is good. The incentive is reputational.

For 2018/19 Bristol Water achieved a 91.4% performance for this measure against a target of greater than 96.5%. Performance in 2017/18 was 93.1% so has reduced. It also reduced slightly between 2017/18 and 2016/17.

The Challenge Panel notes that Bristol Water continues to strive to improve its customer service by making it easier to respond to enquiries. This is proving to be a challenge. As mentioned last year Bristol Water increased its efforts to understand and reduce customers' 'don't know' responses to the survey questions. The company is planning further improvements in the coming year to ensure customers' queries are dealt

with effectively and resolved at the first opportunity. These improvements involve more staff training and better IT systems and working methods. The Challenge Panel will monitor performance against this measure during the coming year.

Atkins have confirmed the reporting methodology and resulting data for this measure are robust.

**L1: Negative billing contacts**

Unit	Actual 15/16	Actual 16/17	Actual 17/18	Target 18/19	Actual 18/19	Target 19/20
contacts/year	2,301	3,096	2,300	2,240	1,595	2,170

Definition of performance measure: The number of ‘unwanted’ calls received by Bristol Water relating to specific billing related issues. The definition of unwanted calls is taken from the Ofwat definition used for the SIM. A low number is good. The incentive is reputational.

Bristol Water reported 1,595 negative billing contacts in 2018/19, significantly fewer than in 2017/18 (2,300) and well below the target of 2,240 for the year.

The Challenge Panel was pleased to learn that performance has improved markedly over the last two years and that the ongoing focus the company is giving to customer service and the initiatives such as proactive text messaging are proving to be effective.

The Challenge Panel notes that Atkins have confirmed the reporting methodology and resulting data for this measure are robust.