CONSUMER COUNCIL FOR Water

CYNGOR DEFNYDDWYR Dŵr

Delving into Water 2016:

Performance of the water companies in England and Wales 2011-12 to 2015-16

November 2016

The Consumer Council for Water (CCWater) represents the interests of household and non-household water and sewerage consumers in England and Wales.

We do this in many different ways. One way is by using our research to understand what really matters to consumers and then monitor how water and/or sewerage companies are performing in these areas to identify potential issues that may affect consumers.

This report is based on information that companies[1] voluntarily shared with us throughout 2015-16. We use the data to see where there are potential problems. It also acts as an early warning sign and helps us to identify good practice which can be shared across the industry.

This report is based on audited data that companies submitted to us in July and confirmed to us as correct in October. Any data changes subsequent to then are not included.

Comparability of data

Because companies vary in size, the data in this report is shown as either per 10,000 connections[2] as of 31st March each year, or as a percentage. This ensures that company performance can be directly compared. Averages are taken as the arithmetic average unless otherwise stated.

Where applicable, we have also made reference to how companies are performing in terms of the commitments they have made to their customers. However, it should be noted that these vary between companies and are not always the same as the metrics in this report.

Our other reports

Water Matters is an annual survey of households which tracks customers' satisfaction with the services they receive and their value for money. The latest report is available on our website[3].

We also produce an annual report on complaints to the water companies. This is also available on our website, although the key findings are summarised in this report, alongside any follow-up actions.

Making information more accessible

We take key data from our household tracking survey, the complaints report and this report and publish it on our website under the banner 'How is my water company doing?'. This presents a more rounded view of customers' experience and perception of the water industry in England and Wales.

We are also working with the industry on the Water UK-led project to provide data for a web portal called Discover Water. This portal features a wide range of facts and figures on the performance of water companies.

Phase one of the Discover Water project went live in July 2016 and included industry level data up until 2014-15. Phase two will be launched in November 2016 and will include company level data up until 2015-16. A lot of the data included in this report will be accessible on the portal.

Future reporting

In May 2016 we consulted with the industry about the information we currently collect from companies and our plans to collect information relating to progress against their performance commitments.

Companies were supportive of our proposals to:

- Continue to collect comparable information quarterly;
- Publish the Delving into Water report annually;
- Collect information relating to progress against performance commitments from publically available sources; and
- Work with Ofwat, the industry regulator, on ways to show a comparative analysis on progress against performance commitments.

[1] Due to its small size, Cholderton Water[1] does not feature in this report and neither do any of the New Appointments and Variations (NAVs). A NAV is where a limited company asks to become the provider of water supplies and/or sewerage services for an area that would otherwise be serviced by an existing appointed. NAV appointees have the same duties and responsibilities as all other appointed companies.

[2] For 2010-11 to 2013-14, per 10,000 connections is calculated from 2013-14 year end connections data as we had not collected the previous years' connections data.

[3] You can find information relating to the statistical reliability of Water Matters and the other research quoted in this report at Appendix A.

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1. Executive Summary

Key findings

- Customers have told us that they have high levels of satisfaction with many aspects of their water and sewerage services.
- Most companies are performing well in the areas of sewer flooding, customer assistance and payment schemes, metering, daily water consumption and drinking water quality. We will continue to monitor and work with any outliers that we have identified in these areas.
- However, there are three areas of operational performance where we have concerns that the industry is not delivering what it should for customers:
  - We are disappointed that there has been only a marginal overall reduction in written complaints, with ten companies reporting an increase. Some of these increases were very substantial.
  - Overall, the amount of time that customers are without a supply of water because of a burst or due to maintenance work has decreased. However, as only just over half of the companies have made improvements, we are concerned that variable performance is masking a wider issue.
  - There has been a 1.4% decrease in leakage, but some companies have made much greater improvements than others. We will continue to challenge the rest of the industry to follow suit.

This report has been produced using information that water and/or sewerage companies (companies) have voluntarily provided to the Consumer Council for Water (CCWater)[4]. We collect this information to understand and monitor how companies are performing in a number of areas that have a significant impact on consumers. We press the poor performers to improve and encourage the industry leaders to share good practice and to continue to make improvements.

Where appropriate, we have shown the information in a comparable format by using percentages or showing numbers per 10,000 connections.

Table 1: Summary of company performance 2011-12 to 2015-16 (industry level)

Measure	2011-12	2012-13	2013-14	2014-15	2015-16
Contacts and complaints					
Written complaints	163,027	150,942	123,218	106,693	106,196
Service Incentive Mechanism (SIM score) - average[5]	N/A	N/A	N/A	N/A	83.75
Customer assistance and payment schemes (total number of customers)					
WaterSure/Welsh Water Assist[6]	78,835	93,251	109,404	120,477	130,681
Social Tariffs	N/A	N/A	12,890	43,579	131,989
Water Direct[7]	212,894	227,297	243,811	248,111	246,429
Special assistance registers	186,171	224,393	249,918	263,691	280,324

[4] It is a statutory requirement that companies share information in relation to their written complaints.
[5] Please note that due to a change in methodology, historical SIM data is not comparable. However, past information can be found in the appendices of this report.
[6] This is the Dŵr Cymru Welsh Water scheme which uses the same eligibility criteria as WaterSure but extends to both measured and unmeasured households.
[7] Historical data is not available for all companies.

Operational activities					
Measure	**2011-12**	**2012-13**	**2013-14**	**2014-15**	**2015-16**
Number of properties flooded internally	4,572	8,720	5,010	4,513	4,344
Number of areas flooded externally	39,492	52,394	43,379	41,156	31,712[8]
Leakage (total megalitres[9] per day)	3,089	3,091	3,108	3,131	3,087
Supply interruptions (Average number of minutes lost due to water supply interruptions of 3 hours or longer per property served)	18:38	16:17	14:04	19:27	11:29
Household metering (properties as a % of total properties)	44%	47%	49%	51%	53%
Non-household metering (properties as a % of total properties)	89%	89%	90%	90%	90%
Per capita consumption (Average litres per person per day)	146	140	142	139	140
Drinking water quality (% compliance)	99.96%	99.96%	99.97%	99.95%	99.96%

The progress that the industry is making varies between different areas and can be summarised into two broad categories:

Category one: Areas where performance is not consistent throughout the years or across companies

Complaints and contacts: Whilst the overall five-year trend for written customer complaints to water companies is downwards, in 2015-16 the reduction slowed markedly to just under 0.5% compared to 13.4% reduction in 2014-15. Ten companies reported an increase in written complaints, most notably:

- For the fourth consecutive year Southern was the worst performing company. At over 77 complaints per 10,000 connections this is more than twice the industry average, and the gap between Southern and the rest of the industry is widening. The company has a lot of work to do to close that gap. We expect the company to do so.
- Affinity was the worst performing water only company for complaints per 10,000 connections. The company's increase in complaints over the past three years has bucked the industry trend. The company's problems last year were compounded by additional customer contact generated by its compulsory metering programme plus staffing issues which led to delayed responses to customers, causing further complaints.
- Problems caused by the introduction of a new billing system and more rigorous debt collection led to a doubling of complaints to Dŵr Cymru.
- Bournemouth also had problems with introducing a new billing system resulting in customer complaints to the company increasing by over 90%.

[8] 2015-16 data is not available for Severn Trent.
[9] A mega litre is equivalent to a million litres. For comparison, an Olympic-sized swimming pool has a capacity of 2.5 megalitres.

We have stressed continually to companies that when they implement new billing systems they must ensure that they take all necessary steps to avoid customer detriment. It is not fair on customers that this issue continues to arise.

As reported in our annual complaints report[10], we asked the poorer performers for an interim report that set out the actions they had taken or were taking to reduce complaints. An overview of the progress made by these four companies is included in section 2.1 of this report.

Supply interruptions: It is very important to customers that they have a reliable source of water as interruptions cause inconvenience, especially if they occur at times of peak demand and without warning. If the interruption does occur without warning, customers cannot plan ahead and more inconvenience is caused. Over the past five years the duration of supply interruptions has decreased by 41% and now stands at an average of 11 minutes and 29 seconds per property, per year. This year 12 companies made a reduction, and this is masking disappointing results from other companies.

Northumbrian is the 2015-16 industry leader with its customers experiencing the shortest amount of time off supply. They are closely followed by Hartlepool with last year's leader, Bournemouth, in third place. Large reductions have also been seen for Bristol, Sutton & East Surrey, and Portsmouth.

The poorest performers are South East (which saw an increase of 256% to 33 minutes due to a specific event), South West and Dŵr Cymru. Large increases have also been seen for Southern and Essex & Suffolk. Additionally, five companies failed their performance commitments in this area. We will continue to push companies to minimise supply interruptions.

Leakage: Leakage is a key concern for customers and can have a big impact on customers' motivation to save water, as well as their perception of water companies. We raised concerns about rising leakage levels in both our previous reports (and in several conference speeches). Whilst there has been 1.4% decrease this year, it remains above the baseline of 2010-11. However, all companies have met the leakage performance commitments set out at the 2014 Price Review. We continue to question whether these targets are challenging enough.

The largest reductions were made by Bournemouth (-6%) and Anglian (-5%). We challenge the rest of the industry to make a step change in tackling leakage, so that they can meet customers' expectations.

The greatest increases were seen for Hartlepool (+8.9%), which also had the second largest increase in 2014-15, and Southern (+2.4%) – although this did not prevent it from being the best performer in terms of leakage per property, per day.

Category two: Steady progress, with some outliers

Sewer flooding: Few service failures have the potential to cause more distress for customers than sewer flooding. Although the winter of 2015 was particularly wet and resulted in widespread flooding across Northern England, many companies rose above this challenge and the weather had a minimal adverse affect on sewer flooding.

[10] http://www.ccwater.org.uk/publications/waterindustrycomplaintsreport/water-industry-complaints-2015-to-2016/

The number of properties flooded internally reached their peak in 2012-13, and had been steadily falling. Southern (17.7%) and United Utilities (36.7%) reported the largest increases in 2015-16. We acknowledge that in most cases the wet winter was a contributory factor. Despite Thames and Yorkshire reporting a reduction in numbers, they both remain worse than the industry average.

Similarly, areas flooded externally also peaked in 2012-13, but have fallen year on year with a further 6.2% decrease reported in 2015-16. The only increases came from Dŵr Cymru (0.2%) – which remains worse than the industry average – United Utilities (5.4%) and Wessex (2.9%). Southern, Anglian and South West performed worse than the industry average, despite all reporting reductions in 2015-16.

Customer assistance and payment schemes: The percentage of customers who have told us that their bills are unaffordable remains at 12%, and so customer vulnerability remains a key focus of our work. The customer assistance and payment schemes included in this report are:

WaterSure[11] and Welsh Water Assist: The number of customers receiving help through WaterSure and Welsh Water Assist[12] schemes now stands at over 130,000, an 8.5% increase since last year and a 66% increase over the past five years. Whilst this progress is promising we are still concerned that only 8% of customers know about the scheme[13]. Companies are taking steps to raise awareness of all of their financial assistance schemes, including acting on recommendations arising from our research[14] and a CCWater-led seminar in 2014. But work in this area must continue.

Social Tariffs: In 2015-16, 15 companies had a social tariff in place and almost 132,000 low-income customers were receiving help through these schemes. We are continuing to work with companies to identify opportunities for improvements in their social tariffs and how they are promoted. As part of this work we are holding a workshop in November 2016 to explore company experiences in implementing the tariffs with a focus on sharing good practice and identifying solutions to problems which have been encountered. We have also encouraged companies to work with neighbouring companies which operate different schemes to deliver greater consistency in the application process for customers who receive their water and sewerage services from different companies.

Water Direct[15]: In 2015-16 there were over 246,000 customers registered for Water Direct. This is a slight decrease since 2014-15 (-0.68%) and may be due to the increase in customers who are receiving help through social tariffs, data cleansing, or customers no longer receiving welfare benefits. However, over the past five years, there has been a steady rise in the number of customers who are paying bills through Water Direct.

Special assistance registers[16]: The number of customers receiving additional services and help through companies' special assistance registers has increased by 51% over the past five years, and now stands at over 280,000.

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[11] WaterSure is a Government scheme which caps the water bill at the average household bill for the company.
[12] Welsh Water Assist, a WaterSure type for unmeasured Dŵr Cymru customers, ceased to be available from April 2016. However, WaterSure Wales is available to metered customers.
[13] http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/
[14] http://www.ccwater.org.uk/blog/2014/09/05/living-with-water-poverty-research-report-2014/
http://www.ccwater.org.uk/wp-content/uploads/2016/07/Delivering-Affordability-Assistance-to-water-customers.pdf
[15] Water Direct enables some customers to have payments taken directly from their benefits.
[16] Special assistance registers allow customers to register for additional help in accessing services.

While companies offer a broad range of additional services and help, awareness of the support that exists is still low. We will be working with the companies and with advice agencies to address this.

Metering: Many customers accept that metering is the fairest way to charge for the water they use, although many do not support compulsory metering due to the impact it could have on some customer bills.

Metering levels have been rising at around two per cent per annum for many years. Initially this was because all new build properties were required to be metered, and because customers have the right to opt for a meter. Latterly, metering levels have been boosted by four compulsory metering programmes in the south east of England which has been classed as water stressed by the Secretary of State for the Environment. Currently 53% of households are metered and this is expected to reach 61% by 2020. Non-household metering levels have, however, slightly fallen. This may be due to data cleansing ahead of the non-household retail market opening on 3rd April 2017.

Per capita consumption: Although there is a generally downward trend in the amount of water that customers are using each day, minor fluctuations in demand can be seen throughout the years. This was true of 2015-16 where the average amount of water used by an individual per day rose slightly. Many companies remain a long way off the UK Government's aspirational target of 130 litres per person, per day. In fact, only four companies have succeeded in meeting or beating this target: Hartlepool, South Staffs, Severn Trent and United Utilities.

Drinking water quality: Quality drinking water is a priority for water customers. Across the years compliance levels have remained fairly static and currently stand at 99.96%. The industry leader is Bournemouth, which was the only company to achieve 100% compliance. Affinity comes a close second with 99.99%. The companies that have the lowest levels of compliance are Hartlepool (99.81% compared to 100% in the previous four years) and South Staffs (99.87% compared to 99.98% in 2014).

2. Areas where performance is not consistent throughout the years or across companies

2.1 Dealing with customer complaints and contacts

Key findings

- Written complaints reduced slightly by 0.5% in 2015-16.
- This does not compare well to the 13.4% reduction in 2014-15.
- Ten companies reported an increase in complaints.
- Four companies were asked for interim reports.

Number of written complaints to water companies

CCWater was established at a time when complaints to water companies were rising rapidly. In 2007-08 written complaints peaked at 273,000. Since then we have worked with companies on a 'right first time' approach to managing the complaints that they receive. Through our annual written complaints report we name and shame the poorer performers and praise those companies that are performing better.

Every year we also visit some companies and assess the processes they have in place for dealing with complaints, and the quality of their responses to customers. In doing this we aim to help the poorer performers to improve by adopting good practice from industry leaders. This (together with the introduction of the Service Incentive Mechanism – see section below) has helped to drive complaints down by over 60% from their 2007-08 peak.

Over the past five years there has been a 35% reduction in written complaints from 163,027 to 106,196. However, for the first time since 2002-03 we have seen the number of written complaints to companies decrease by less than 1% compared to the year before. Whilst this reduction continues the downwards trend in written complaints, we are concerned that this has dramatically slowed.

In part, this is because ten companies reported an increase in written complaints in 2015-16, most notably:

- Southern was for the fourth consecutive year the worst performing company. At over 77 complaints per 10,000 connections this is more than twice the industry average, and the gap between Southern and the rest of the industry is widening. The company has a lot of work to do to close that gap. We expect the company to do so.
- Affinity was the worst performing water only company for written complaints per 10,000 connections. The company's increases in complaints over the past three years have bucked the industry trend. The company's problems last year were compounded by the additional customer contact generated by its compulsory metering programme. Staffing issues also led to delayed responses to customers, causing further complaints.
- Bournemouth had problems with introducing a new billing system and customer complaints to the company increased by over 90%. We have stressed repeatedly to

companies that when they implement new billing systems they must ensure that they take all necessary steps to avoid customer detriment. It is not fair on customers that this issue continues to arise.
- Problems caused by the introduction of a new billing system and more rigorous debt collection led to a doubling of complaints to Dŵr Cymru.

We asked the poorer performers for an interim report that set out the actions they had taken or were taking to reduce complaints. In October 2016, they responded as follows:

Southern

The steady reduction in written complaints from December 2015 continued into the new reporting year. Between April and September 2016, written complaints were down by 46% compared to the same period in 2015.

Continuing its Customer First Programme, Southern has implemented initiatives such as:

- Establishing a dedicated customer service team who are using meter reading data to proactively target those customers most likely to see bill increases, which is a significant area of dissatisfaction for its customers;
- Outsourcing in-bound calls relating to billing, which has meant that call response times have improved;
- Improving digital channels of communication for customers;
- Introducing new tariffs to help people struggling to pay their bills;
- Undertaking water efficiency visits to help customers understand where they can further save water and reduce their bills;
- Working in partnership with other organisations with respect to debt prevention;
- Making improvements to the way in which money is collected;
- Speeding up issuing refunds to customers; and
- Contacting customers after the event to ensure that reported operational issues are resolved, and for feedback on their satisfaction.

We are heartened by Southern's actions and improving performance but, as the company itself recognises, there is still some way to go before its customers receive the service they deserve. While annual written complaint numbers could end up at a company five year low, they are still well above the current industry average.

Affinity

Affinity reported a 22% decrease in written complaints up until September 2016, despite IT issues and increased operational water supply incidents causing a slight upturn in complaints in September. 'Other' types of complaints saw the greatest decrease (-65%) due to work to identify the root causes of these types of contacts. A number of new processes have been implemented through the company's Customer Service Plan, including:

- Focusing on initiatives to improve various operational processes;
- Improving IT systems;
- Identifying where current process can be improved;
- Making it easier for customers to contact the company;
- Improving staff training; and
- Improving the way in which customers are kept informed about issues.

Affinity forecast that written complaint numbers will reduce by 12% for 2016-17 when compared to 2015-16. However, this means that they will still be around 50% higher than 2014-15 levels.

Bournemouth

Bournemouth reported an overall reduction in written complaints of 16% (20% for household customer complaints only). When comparing September 2016 to September 2015, there has been a 50% reduction in the number of complaints received through:

- Introducing an improved case management process;
- Analysing the root causes of complaints immediately;
- Improved recruitment, training and development of staff;
- Further improvements to the customer service systems; and
- Wider use of customer analytics.

Bournemouth considers that they may deliver a year end reduction of about 30%, although this would leave written complaints numbers above levels reported in each of the years, 2012-13 to 2014-15.

Dŵr Cymru

Between April and September, there has been a month-on-month reduction in written complaints to Dŵr Cymru (written complaints in September were 37% lower than in April), although the number of complaints received was 39% higher than the same period last year. This is primarily due to increases in complaints about the company's more active debt collection activity in early 2016. Written complaints are now returning to prior levels, but the company is not expecting end of year numbers to fall to 2014-15 levels.

Action taken by the company includes the creation of a team to target problems early and resolve them before they have the opportunity to develop into a complaint. It is already showing positive results. The company are currently reviewing their customer correspondence to ensure that contacts have been correctly classified. Once this review has been completed, a more detailed update will be provided by the company to CCWater.

Next steps

While all four companies have taken action to improve their operational practices, internal processes, or how they engage with customers, it is unlikely that complaints numbers will fall sufficiently to return them to 2014-15 levels. As such, we have asked all four companies to provide us with a further interim report, covering the period October to December 2016, and will report on progress made early in the new year.

Table 2: Number of written complaints to water companies per 10,000 connections

	2011-12	2012-13	2013-14	2014-15	2015-16	Trend
Weighted Average	**53.2**	**49.0**	**39.8**	**34.2**	**33.7**	
Water and Sewerage Companies						
Anglian	60.8	57.3	44.5	44.5	42.4	
Dwr Cymru	30.4	26.0	26.4	21.4	45.8	
Northumbrian	39.6	38.1	35.1	27.0	29.4	
Severn Trent	48.2	41.9	43.8	33.8	24.2	
South West	56.8	53.1	55.6	49.7	49.0	
Southern	64.5	113.3	81.1	70.4	77.1	
Thames	60.7	56.5	38.2	35.5	27.1	
United Utilities	81.5	49.4	40.8	34.2	38.5	
Wessex	22.5	20.4	17.1	16.2	13.0	
Yorkshire	36.1	45.0	37.8	30.2	33.5	
Water only companies						
Affinity	16.6	15.0	17.4	20.1	36.3	
Bournemouth	23.0	18.5	18.0	16.7	31.7	
Bristol	23.2	22.3	20.3	18.6	14.1	
Cambridge	24.5	20.6	12.4	10.3	10.1	
Dee Valley	50.4	35.8	29.6	20.9	18.1	
Essex & Suffolk	41.3	34.6	28.7	27.4	31.9	
Hartlepool	30.1	26.1	18.5	27.1	27.5	
Portsmouth	8.1	10.4	7.6	10.8	8.7	
South East	147.1	98.0	69.4	35.5	21.9	
South Staffs	43.4	28.7	22.9	21.0	14.1	
Sutton & East Surrey	19.7	17.8	16.4	15.9	20.2	

Key

	Companies that are 25% or more above the average
	Companies that are within + / - 25% of the average
	Companies that are 25% or more below the average

Wessex was again the best performing water and sewerage company. Its consistent improvement has put it way ahead of other water and sewerage companies. Portsmouth regained its position as the best performing water only company, overtaking Cambridge which still remains a consistently good performer. South Staffs was the third best performing water only company, recording fewer written complaints for the fifth consecutive year. Bristol and Dee Valley also reported fewer than 20 complaints per 10,000 connections.

South East's improvement in its customer service has paid dividends with fewer written complaints and an improved position in the industry rankings. This improvement comes at a time when the company is metering all its household customers - a policy which has caused problems for other companies in the region.

South East also had the biggest reduction in written complaints with 38.2% fewer than in 2014-15. Other companies that saw significant reductions in complaint numbers were South Staffs (down 32.5%), Severn Trent (down 27.8%), Bristol (down 23.5%), Thames (down 22.9%) and Portsmouth (down 18.9%).

The Service Incentive Mechanism

We have previously worked with Ofwat and the industry to change the regulatory reward and penalty system so that incentives drive customer-focussed behaviours and outcomes that satisfy customers. In 2010 Ofwat introduced the Service Incentive Mechanism (SIM) which assessed all aspects of companies' contact handling processes and included a customer satisfaction survey. Companies' performance on both aspects was given equal weighting and was scored out of 100. This method was used until 2014-15.

2014-15 was a trial year for SIM as the methodology changed in the following ways:

- More weight was given to the customer satisfaction survey;
- Non-household customers were no longer included;
- The survey no longer focused just on resolved contacts as unresolved contacts were included; and
- Companies were given no warning about when the survey would take place.

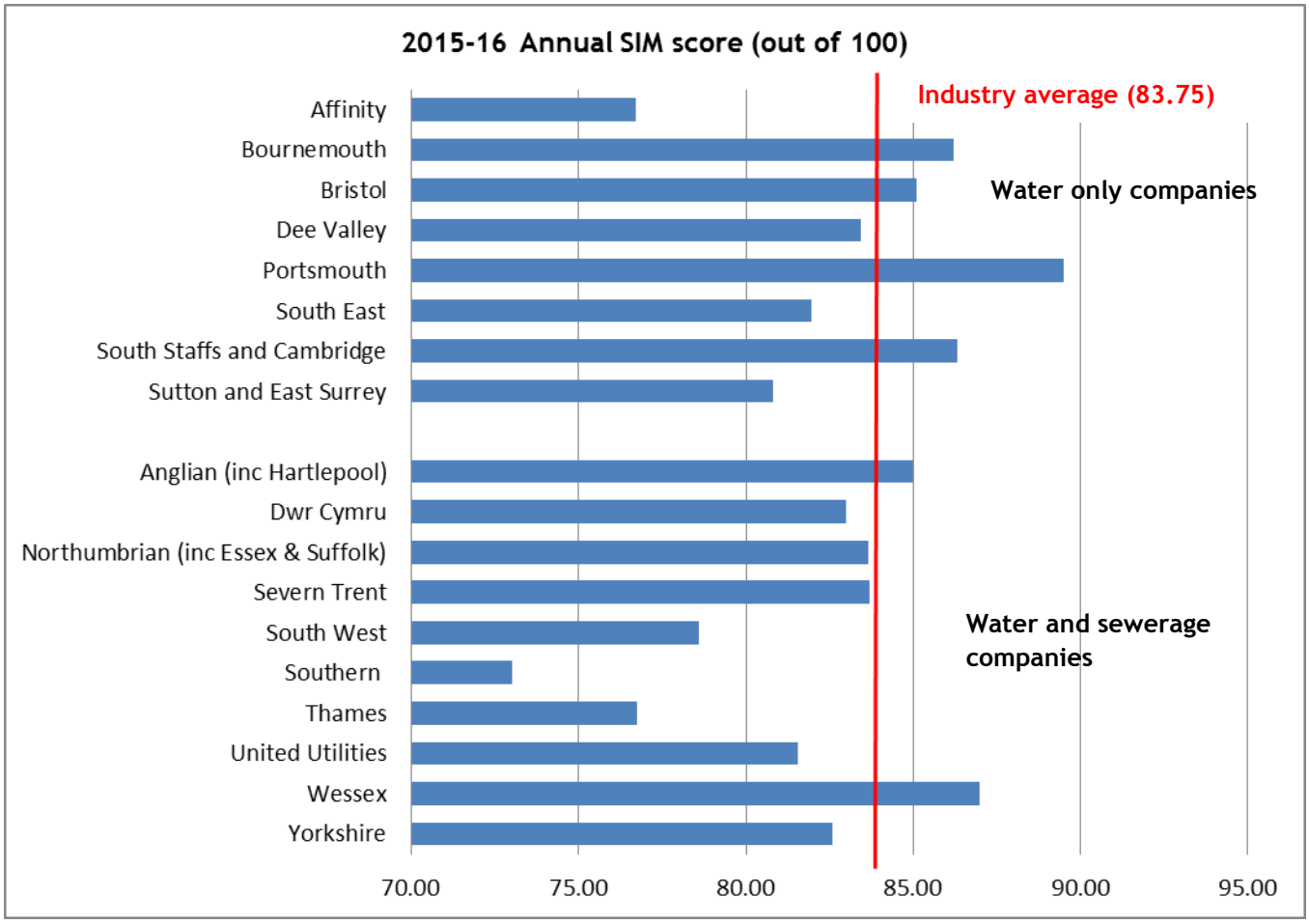
During 2014-15 many companies tried to replicate the methodology used by Ofwat for calculating the overall SIM score. However, variances in how this was done by each company meant that the scores were neither comparable with previous years, nor with other companies.

The new process was embedded by 2015-16 and the table below shows company performance during that year.

Portsmouth is the industry leader (89.5) followed by Wessex (87.0), South Staffs & Cambridge (86.3) and Bournemouth (86.2).

In an echo of its performance on written complaints, Southern is the poorest performing company (73.0), with Affinity (76.7) and Thames (76.7) joining it at the back of the pack. Both Thames and Southern failed their performance commitments relating to SIM in 2015-16 and recognise that improvements must be made in their customer service.

Chart 1: SIM scores for 2015-16



2.2 Interruptions to the water supply

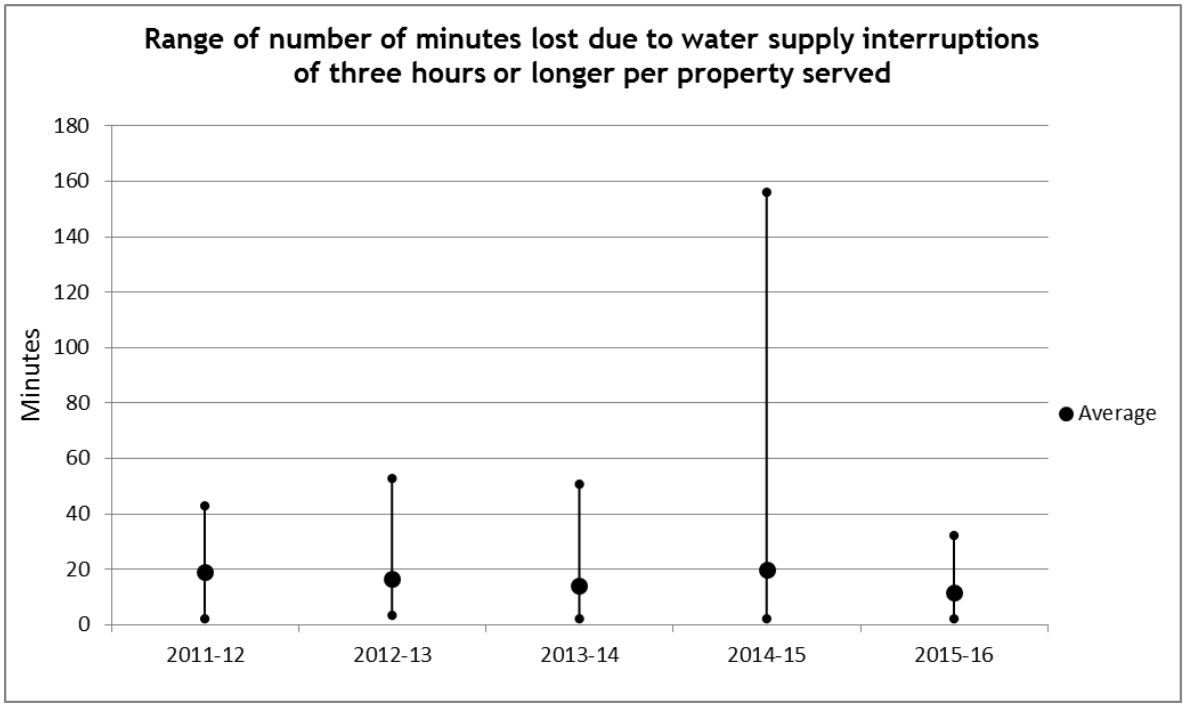
Key findings

- The amount of time that customers are without a supply of water has reduced by 41% in the past year.
- However, only half of the industry has made reductions and we are concerned that this headline result is masking an issue with the remaining companies.
- 5 companies are significantly worse than the industry average.

Customers value a reliable supply of water, and their satisfaction with the reliability of their supply is high, at 97%[17]. Interruptions to water supplies cause inconvenience, especially if they occur at times of peak demand. If the interruption is without warning, customers cannot plan for this and more inconvenience is caused.

Over the past five years the duration of supply interruptions has decreased by 38%, although there are year to year fluctuations. In 2015-16 the amount of time that customers were without a supply of water reduced from 19 minutes and 26 seconds to 11 minutes and 29 seconds (41%).

Chart 2: Range of number of minutes lost due to water supply interruptions of three hours or longer per property served



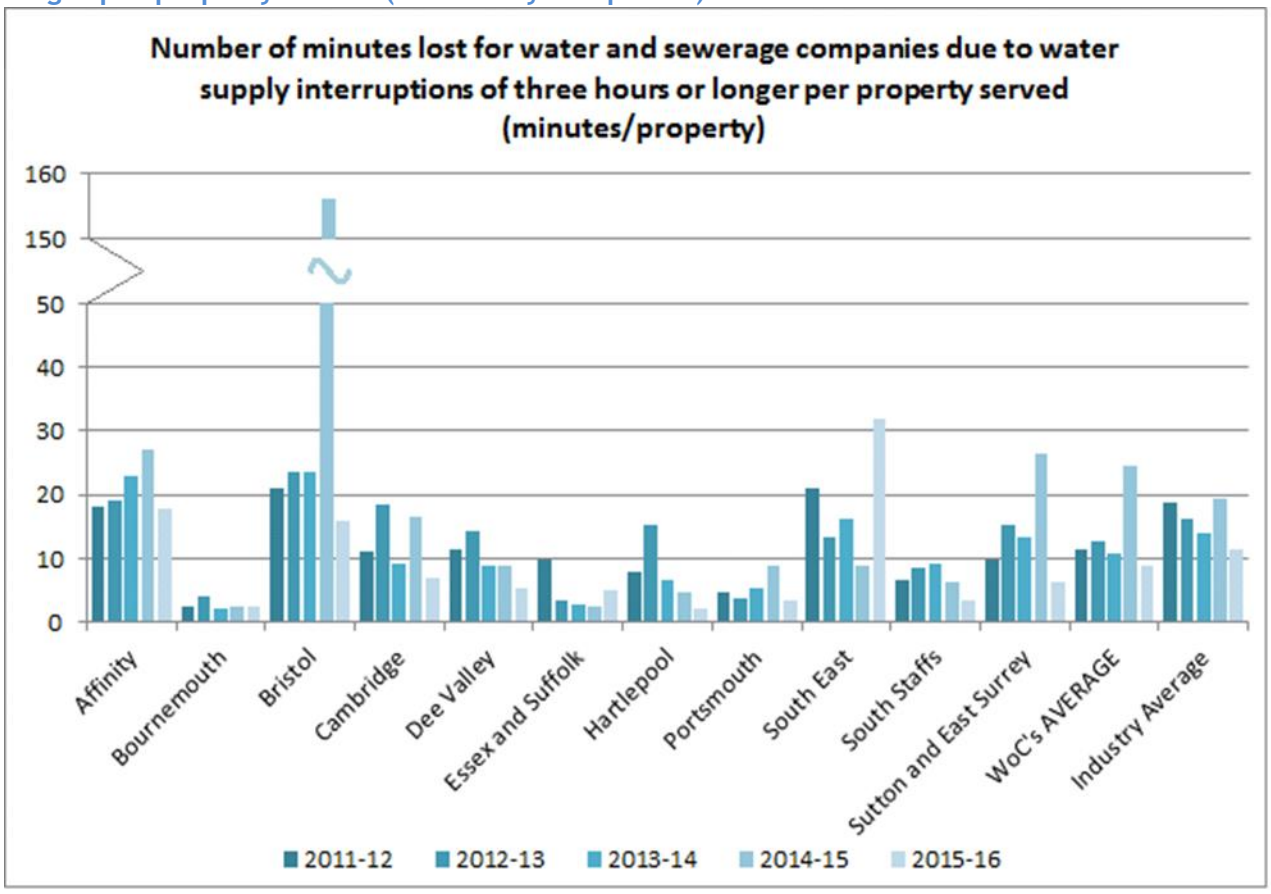
[17] http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/

Whilst the overall reduction looks positive for the industry, further investigation reveals that only half of all companies made a reduction in 2015-16. The majority of these were water only companies.

Charts 3a and 3b show the number of minutes lost due to water supply interruptions of three hours or longer per property served for each of the last five years.

Northumbrian is the 2015-16 industry leader, at 2 minutes and 11 seconds (a 54.7% reduction). The company has made this a priority, with dedicated teams monitoring interruptions to minimise the number of customers affected by leaks and bursts. Hartlepool has the second lowest time that customers are without supply (2 minutes and 18 seconds - a 52.6% reduction) and last year's leader Bournemouth (2 minutes and 32 seconds – a 5.6% increase) is in third place.

Chart 3a: Number of minutes lost due to water supply interruptions of three hours or longer per property served (water only companies)

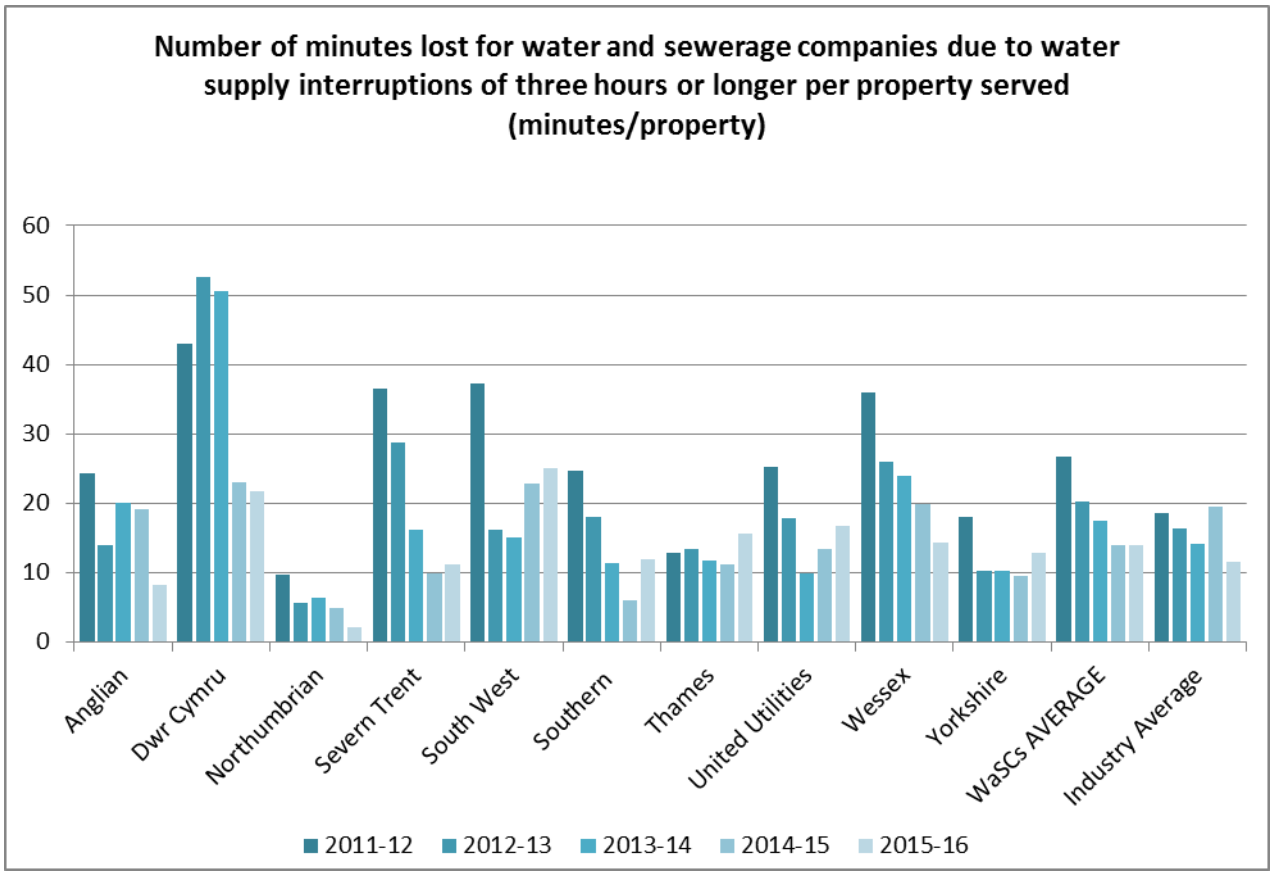


South East was the poorest performer, with the amount of time that its customers were without supply escalating from 9 minutes in 2014-15 to 32 minutes and 3 seconds - a 256% increase. This meant it failed its performance commitment in this area. The company has reported that this increase was due primarily to a major main burst in Hailsham, East Sussex in May 2015 that took some time to rectify due to the characteristics of the main. South East sent an apology letter to all affected customers and credited their accounts for the inconvenience caused. Our local team considers its recovery plans to be appropriate, and will monitor how it implements lessons learnt into future recovery and network maintenance plans.

The amount of time that South West's customers were without a supply has been rising since the low of 2013-14. In 2015-16 it was the second poorest performer with an average of 25 minutes and 8 seconds (a 10.2% increase) and failed its performance commitment. The increase was due primarily to two burst trunk mains, one in St Blazey, Cornwall and the other in Plymouth, Devon. South West has reviewed its strategies for avoiding and tackling such bursts and is targeting improvements through better network monitoring, the use of new technologies, further investment in pressure management and improved incident and asset management processes.

The third poorest performer was Dŵr Cymru at 21 minutes and 44 seconds. Although this represents the fourth successive annual reduction for the company, its customers are experiencing a much poorer service than most other companies. We note that the company is taking action to try and reverse this performance through, for example, undertaking zonal studies and analysing the worst performing water quality zones. There were four significant burst main incidents that affected the company's performance in 2015-16: Cilfyndd; Llanpumsaint (West Wales); Crosskeys (Newport); and Llechryd (West Wales). We will challenge the company to demonstrate how it can address this performance more effectively to meet its challenging targets over the next four years.

Chart 3b: Number of minutes lost due to water supply interruptions of three hours or longer per property served (water and sewerage companies)



In addition, the following companies were also significantly worse than the industry average of 11 minutes and 29 seconds, and each failed its performance commitment to customers as agreed with Ofwat in 2014:

- Despite reducing the amount of time that customers were without supply from 27 minutes to 17 minutes and 55 seconds (a reduction of 33.6%), Affinity remains worse than the industry average and has failed to meet its performance commitment target due to a number of burst mains throughout the year. However, 2015-16 was the first year that it reported a decrease within the five-year reporting period. We will continue to monitor the company's performance quarterly.
- United Utilities continues its upward trend from 2013-14, with a 24.5% increase. The average time that customers were without a supply was 16 minutes and 42 seconds. The company stated that two major incidents led to it not meeting its performance commitment in this area:
  - A major water supply incident at Sweetloves water treatment works in Bolton in July 2015; and
  - Severe weather in Cumbria which caused a major loss of water supply in December 2015.

Other companies performing worse than the industry average of 11 minutes and 29 seconds were:

- Bristol's performance shows a significant improvement (-89.8%) from its 2014-15 level that was dominated by a single, major interruption. At 15 minutes and 52 seconds it remains worse than the industry average and has failed its performance commitment for the year. There were a number of factors that contributed to the higher than average total, including five incidents which took over 12 hours to fully repair, and some significant renovation work. We are pleased with the steps that the company has put in place to address these issues, including its ongoing investment programme and efforts to improve resilience.
- Thames, which for the first time since 2012-13, reported an increase in the amount of time its customers were without supply (+39.9%), taking its average to 15 minutes and 32 seconds. This was largely due to an interruption that occurred in July 2015 in Enfield and a significant incident in April. Thames plans to target mains replacement at the locations with the highest number of burst pipe incidents. The company will also install temporary mains to supply customers while repairs are being undertaken, better plan works, and improve information held on its systems on the location of valves on critical water mains. We will be monitoring progress throughout 2016-17.
- Wessex has consistently performed worse than the industry average, despite a 28% decrease in 2015-16, taking it to 14 minutes and 16 seconds. While this was better than its performance commitment for 2015-16 the company still faces a challenge to bring the average down to the more demanding target levels set for future years.
- Yorkshire saw its first increase (+34.2%), and its average now stands at 12 minutes and 53 seconds. This was due to a single incident in the Pocklington area, the most impactful incident in the company's area for 10 years. Yorkshire has a number of initiatives to ensure that its performance improves in future years.
- Southern has reported a 100% increase (from 6 minutes to 12 minutes), making it worse than the industry average for the first time in the five-year period. The company failed to meet its performance commitment due to two major bursts (one near Sittingbourne, Kent in January 2016, which led to a loss of supply to the Isle of Sheppey, and one in Hastings, East Sussex in August 2015). Whilst this is disappointing we acknowledge the events that have contributed to its year-end position. We expect to see a reduction in 2016-17 and will monitor this with the company throughout the year, challenging any upward trends.

Whilst considerably better than the industry average, Essex & Suffolk saw its first increase in the reporting period, from 2 minutes and 35 seconds to 5 minutes and 1 second (a 94.2% increase). This was due to a burst main in Heybridge in August 2015. We will be looking closely to see if the company can learn from its experience of this incident.

Companies which saw large reductions include Sutton & East Surrey (76% reduction to 6 minutes and 18 seconds), Portsmouth (60% reduction to 3 and a half minutes), Cambridge (58% reduction to 6 minutes and 53 seconds), Hartlepool (53% reduction to 2 minutes and 18 seconds), South Staffs (43% reduction to 3 minutes and 36 seconds) and Dee Valley (42% reduction to 5 minutes and 13 seconds).

In summary, we have concerns that the reductions made by a small number of companies may be masking a wider issue for other companies within the industry. We acknowledge that interruptions are sometimes necessary for maintenance work, but we will:

- continue to push companies to keep this to a minimum;
- monitor the poorer performing companies and challenge any upward trends; and
- press companies to communicate effectively with customers to avoid unnecessary disruption.

2.3 Leaks

Key findings

- Leakage has decreased by 1.4% across the industry, reversing the increasing trend from 2011-12.
- Some companies have made much greater improvements than others, and so we challenge the rest of the industry to follow suit.
- There is a huge range in leakage per property, per day, with the leader losing less than half that of the company at the bottom of the pack.

Ofwat requires companies to "fix leaks as long as the cost of doing so is less than the cost of not fixing the leak. The cost of fixing a leak includes environmental damage and the cost of developing new water resources to compensate for the water lost through leaks. This approach is called the sustainable economic level of leakage (SELL)"[18].

Many customers have told us that leakage is a key concern for them, and that companies' performance in this area can have a big impact on how they approach their own water-saving activities, as well as their perceptions of the water companies[19]. However, many customers accept that leakage will happen due to the sheer size and age of the water network. But they expect companies to do more to tackle leakage and fix leaks, and become annoyed and frustrated when water is allowed to run to waste for days on end. The SELL does not take customer perceptions into account.

In our last *Delving into Water* report we commented that even though companies were meeting their targets they needed to do more to reduce leakage. Leakage levels had been rising since 2011-12, but we note that this pattern has not continued into 2015-16. However, there is still work to be done by the six companies that have still not been able to reduce their leakage levels, and by those companies which have only made marginal improvements. Despite this, we once again see that the industry as a whole has met its performance commitments relating to leakage.

Overall leakage levels

Leakage levels have been creeping up since 2011-12. However, 2015-16 saw a slight reversal in that trend, with leakage levels across the industry reducing by 1.4%. The largest reductions were made by Bournemouth (-6%) - which has introduced a programme of planned mains inspection, and is finding and fixing leaks quicker in response to customers' concerns about leakage - and Anglian (-5%). We challenge the rest of the industry to make a step change in tackling leakage so that similar reductions can be seen for all companies.

[18] http://www.ofwat.gov.uk/households/supply-and-standards/leakage/
[19] http://www.ccwater.org.uk/wp-content/uploads/2013/12/Research-into-customer-perceptions-of-leakage.pdf

Only seven companies have been able to maintain leakage at or below their reported 2011-12 figures. These were Anglian, Severn Trent, United Utilities, Wessex, Bournemouth, Portsmouth and South East.

The largest increase was reported by Hartlepool (+8.9%), which also had the second largest increase in 2014-15. It had several complex bursts during the year. Hartlepool is working closely with its parent company Anglian, which is the industry leader, to provide additional resource on the network within Hartlepool, as part of the ongoing integration project.

The second largest increase was reported by Southern (+2.4%), despite being the industry leader on a 'per property' basis, as discussed in more detail below.

Table 3: Company actual leakage levels (mega litres per day)[20]

	2011-12	2012-13	2013-14	2014-15	2015-16	Trend
Water and Sewerage Companies						
Anglian	194.8	185.1	189.2	187.9	178.2	
Dwr Cymru	161.7	178.4	183.8	179.1	179.9	
Northumbrian	130.0	136.0	134.0	136.8	136.0	
Severn Trent	464.0	441.0	441.0	444.0	434.0	
South West	81.0	84.0	84.0	84.0	84.3	
Southern	82.0	81.0	85.0	82.0	84.0	
Thames	637.0	646.0	644.0	654.0	642.5	
United Utilities	453.0	457.0	452.0	453.6	452.0	
Wessex	69.0	69.0	69.0	69.0	68.3	
Yorkshire	274.0	265.0	282.0	288.0	285.1	
Water only companies						
Affinity	169.8	189.5	180.7	183.5	180.9	
Bournemouth	21.7	20.9	20.9	20.9	19.6	
Bristol	43.0	42.0	44.0	45.0	44.2	
Cambridge	12.4	12.4	12.7	13.5	13.2	
Dee Valley	8.5	9.3	10.2	9.8	9.9	
Essex and Suffolk	59.1	53.9	58.4	60.8	60.4	
Hartlepool	4.2	3.9	3.8	4.1	4.4	
Portsmouth	37.0	34.0	30.0	28.9	28.1	
South East	95.2	93.2	92.6	92.5	88.1	
South Staffs	68.2	65.3	66.9	69.2	69.9	
Sutton and East Surrey	23.6	23.7	23.9	24.2	24.2	
Total	**3,089.16**	**3,090.52**	**3,108.08**	**3,130.62**	**3,087.25**	
Industry Average	**147.10**	**147.17**	**148.00**	**149.08**	**147.01**	

Leakage per property, per day

Overall leakage levels are not comparable across companies given the variations in the size of the companies' network. For example, we would expect that the larger companies have higher leakage levels per day than the smaller ones because they maintain more pipes. In previous reports we have used leakage as a percentage of water put into the system to be able to compare companies' leakage levels. However, after discussions with the industry and an external consultant, we have concluded that there are too many variables in this way of presenting the figures. Instead, for this and future years, we will report leakage on a per property, per day basis.

[20] For South West the leakage figure is reported on a calendar year rather than financial year.

On average 121 litres of water are lost per property, per day from leakage. This is almost as much as one full bath tub (80 litres[21]) and a washing machine load (50 litres[22]) in every house, every day.

As can be seen in table 4 below, there is a huge range in the levels of leakage per property served. Essex & Suffolk is the best performer at 74.5 litres, followed by Southern (76.5 litres) and Dee Valley (78.2 litres). Both Southern and Dee Valley reported increases during 2015-16 (+2.4% and +1.5% respectively). Conversely, Thames reported 170.9 litres, although it made reductions in 2015-16 (-1.8%).

Table 4: Leakage per property, per day (Litres per day)[23]

	2011-12	2012-13	2013-14	2014-15	2015-16	Trend
Water and Sewerage Companies						
Anglian	93.8	89.1	91.1	89.8	84.5	
Dwr Cymru	115.2	127.1	130.9	127.2	126.9	
Northumbrian	109.8	114.9	113.2	114.9	113.8	
Severn Trent	133.2	126.6	126.6	126.9	123.0	
South West	101.3	105.1	105.1	104.3	103.6	
Southern	75.6	74.7	78.4	75.2	76.5	
Thames	172.3	174.7	174.2	175.6	170.9	
United Utilities	140.0	141.2	139.7	139.6	138.0	
Wessex	115.5	115.5	115.5	114.6	112.5	
Yorkshire	121.6	117.6	125.2	127.2	125.2	
Water only companies						
Affinity	116.4	129.9	123.9	125.2	122.6	
Bournemouth	106.4	102.4	102.5	101.9	95.4	
Bristol	82.7	80.7	84.6	86.0	83.8	
Cambridge	91.8	91.6	94.2	98.9	95.9	
Dee Valley	68.3	74.4	81.4	77.7	78.2	
Essex & Suffolk	74.9	68.4	74.0	76.6	74.5	
Hartlepool	95.0	89.1	87.0	91.7	99.0	
Portsmouth	119.5	109.8	96.9	92.2	89.03	
South East	105.0	102.8	102.1	94.4	90.0	
South Staffs	117.7	112.7	115.5	118.2	119.1	
Sutton & East Surrey	83.2	83.5	84.3	84.8	84.2	
Industry Average(Weighted)	**120.78**	**120.83**	**121.52**	**122.07**	**120.74**	

In addition to Thames there are a further five companies that are performing worse than the industry average of 121 litres per property, per day. The companies with the highest amounts of water leaked per property served are:

[21] http://www.waterwise.org.uk/news.php/11/showers-vs.-baths-facts-figures-and-misconceptions
[22] http://www.waterwise.org.uk/pages/indoors.html
[23] Per property data is calculated using all water only connections and all water and sewerage connections.

- United Utilities (138 litres), although it made reductions to overall leakage levels in 2015-16 (-0.35%) (its' high figures are due to the fact that it would not be economically viable to significantly better the leakage targets set by Ofwat which take into account the nature of the supply infrastructure, geography, population distribution and water resource pressures).
- Whilst Dŵr Cymru is delivering its SELL, it is one of the companies that saw an increase in overall leakage levels (to 126.9 litres, a 0.44% increase) and is performing worse than the industry average. During the winter period heavy rainfall and high winds hampered leakage detection efforts and affected customer reported leaks. However this stabilised in February with a strong leakage performance during March. CCWater will continue to challenge the company to demonstrate how it can improve its performance.
- Yorkshire saw a 1% decrease to overall leakage levels (125.2 litres). It explained that its economic level of leakage is influenced by the age and length of the water network, the operating pressures required to ensure water gets to all customers at the required delivery pressure, and the cost of operating in the area.

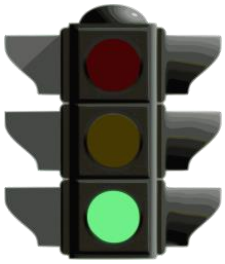
Companies have acknowledged that leakage is a key concern for customers and all have made commitments in relation to their leakage levels over the next five years. But we would question whether the rate that companies are reducing leakage is quick enough to meet customers' expectations. If customers do not see progress on this issue, they are more likely to ignore company campaigns on water efficiency. And should another drought arise then they may not react as positively to water saving messages as they did in 2012.

Companies should aim to beat – not just meet – their leakage targets. Some companies are committed to doing so. The whole industry should be.

We will continue to monitor this area to push companies – particularly those that are worse than the industry average, and those that are seeing an upward trend – to improve their performance in this area and meet their customers' expectations.

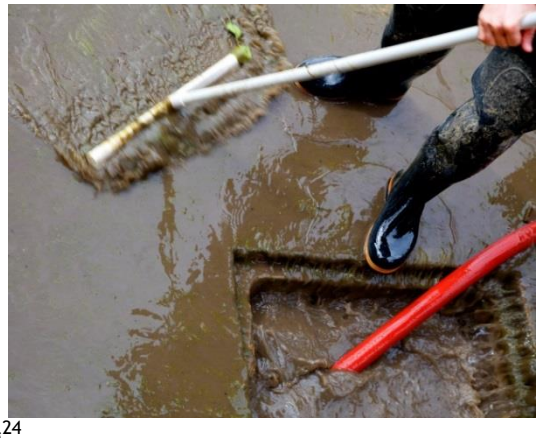
3. Steady progress in the right direction, with some outliers

3.1 Sewer flooding



Key findings

- The winter of 2015 was particularly wet but, surprisingly, this had minimal effect on both internal (decreased by 3.7%) and external sewer flooding (decreased by 6.1%)
- Many companies have made improvements and risen above the challenge of the weather.



Few service failures have the potential to cause more distress for customers than sewer flooding. It can have a devastating impact on affected homes and businesses. Internal sewer flooding can be particularly traumatic for people who suffer damage to their property and personal belongings. Even after the clean-up is completed, households can remain fearful of history repeating itself every time storm clouds gather – unless action is taken to tackle the underlying cause. Our research shows that 84% of customers are satisfied with the efforts that their company is taking to minimise sewer flooding[24].

Three-quarters of sewer blockages are caused by people putting items they shouldn't down the loo or the sink, and half of sewer flooding is caused by these blockages.

Only toilet "paper, pee and poo" should be flushed down the loo.

Items such as tampons, sanitary pads, wet wipes, cotton buds, condoms, nappies, cooking oils, fat and grease should be disposed of in a bin.

Please note that Severn Trent this year have not been able to supply comparable data in relation to external flooding for 2015-16 in time to be published in this report. This is because the company altered its reporting systems to match its performance commitment on sewer flooding. Therefore, when calculating the industry overall position, increases and decreases, historical Severn Trent information has been excluded from the calculations to ensure that the data is comparable across the years.

We acknowledge that weather conditions have an impact on levels of sewer flooding. The winter of 2015-16 brought severe flooding in December with record rainfall [25] and nine named storms. Since 1910, the only winter that has been wetter was in 2013-14. These conditions have presented an additional challenge for companies. But, having raised sewer flooding as an area of concern in our last report, we are pleased to see that companies responded well to the poor weather with minimal effect on internal sewer flooding and a reduction in the number of areas affected by external sewer flooding.

[24] http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/
[25] http://www.metoffice.gov.uk/climate/uk/summaries/2016/winter

Number of properties that have flooded internally

The number of properties flooded internally reached their peak in 2012-13, and we are pleased to note that since then they have been reducing. However, sewer flooding is heavily influenced by the weather and the number of properties affected can vary dramatically across the years. Despite last year's record rainfall and severe weather events, the number of properties experiencing internal sewer flooding decreased by 3.7%. It now stands at 4,344, a 5% decrease in the past five years.

Three companies reported increased internal flooding when compared to the previous wettest year of 2013-14: Anglian (+8.2%), United Utilities (+5.7%) and Yorkshire (+9.8%).

Severn Trent saw the largest reduction (-33%). It has dedicated teams focussing on improving flooding performance, has invested on proactively inspecting flooding 'hot spot' areas and cleaning and repairing sewers identified as most likely to flood. Additionally it has carried out work at over 3,000 properties that have experienced repeat sewer flooding in the past and have updated their processes to better identify these properties in the future.

Despite the wet weather significant reductions in the numbers of properties flooded were made by Northumbrian (-23.3%) and Anglian (-9.1%) when compared to last year. Northumbrian made a concerted effort to address the issue having suffered at the hands of severe weather in the past, so it shows what can be achieved. Wessex Water reported a 19.2% reduction and Dŵr Cymru reported a 17.8% reduction to the overall number of properties flooded.

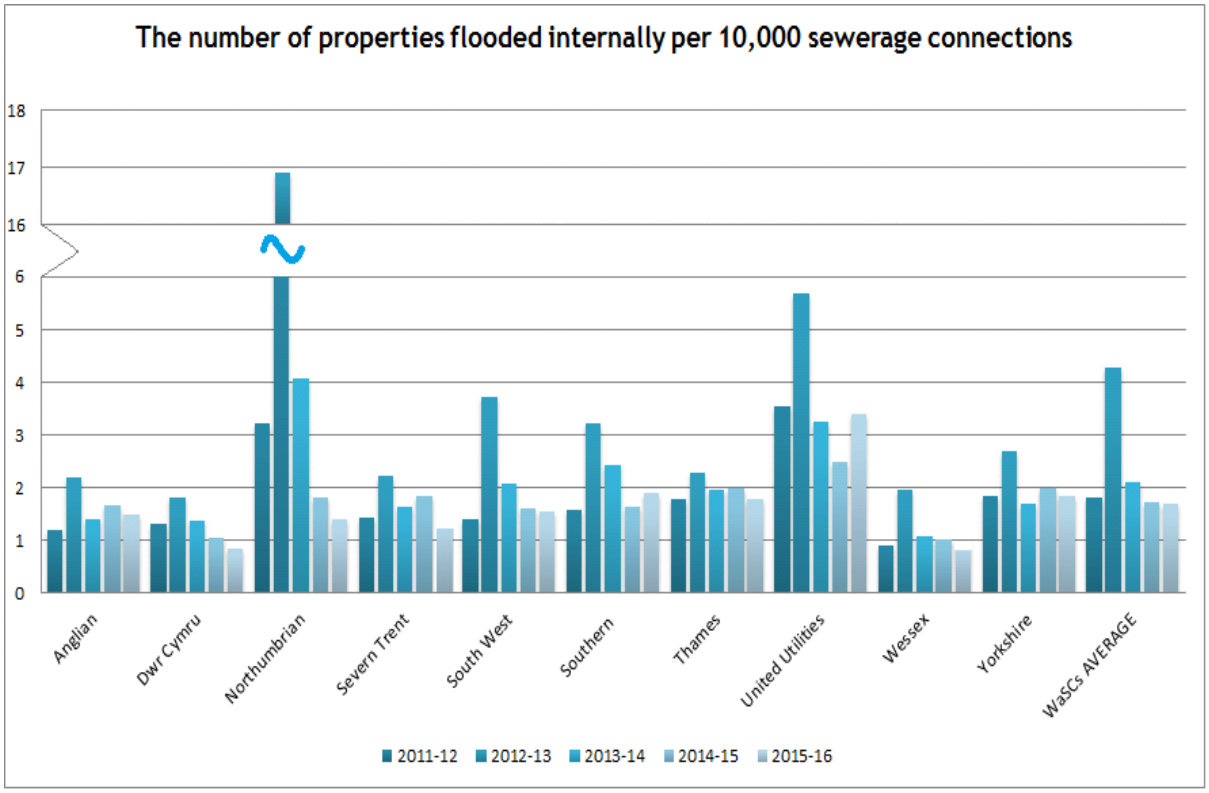
Some companies attributed increases in sewer flooding to the wet weather and the largest were seen by:

- United Utilities, which experienced an overall 36.7% increase and missed its target for its sewer flooding performance commitment. It is also above the industry average. This was largely due to storms Desmond, Eva and Frank which hit the North of England in quick succession during December 2015 and January 2016. Discussions with the company have focused on lessons learnt and remedial action.
- Southern reported a 17.7% increase in the numbers of properties flooded due to the exceptionally wet August 2015. They are above the industry average and missed their performance commitment on sewer flooding.

The industry average for properties flooded internally is 1.63 incidents per property served. In addition to Southern and United Utilities there were two other companies above this average, although we note that they have both made reductions this year:

- Thames made a 8.9% reduction, to 1.78 per 10,000 connections; and
- Yorkshire made a 7% reduction, to 1.83 per 10,000 connections.

Chart 4: The number of properties flooded internally per 10,000 sewerage connections[26]



Number of areas that have flooded externally

External flooding may not be as traumatic or as damaging as internal flooding, but the presence of sewage in gardens, roads and public spaces is unpleasant and can have implications for public health. The frequency of external flooding is typically eight times greater than for internal flooding, largely because the sewerage system is designed to overflow from manhole covers and other areas before it impacts properties.

Similar to the pattern seen for internal flooding, external incidents also peaked in 2012-13, but conversely have continued a downward trend since then. The poor weather seen over the winter of 2015 did not have an adverse impact on the number of external areas flooded by sewage. Indeed, there was a 6.2% decrease in 2015-16 compared to the previous year. When compared to the wetter winter of 2013 only one company has reported marginally increased figures – Yorkshire (4.7%).

Since 2014-15 the largest reductions have been made by three companies which continue to perform worse than the industry average of 16.56 areas flooded per 10,000 connections:

- Southern has made a 20.1% reduction, but is the poorest performer in terms areas flooded per 10,000 connections (24.64);
- Anglian made a 10.2% reduction (19.53 areas flooded per 10,000 connections)

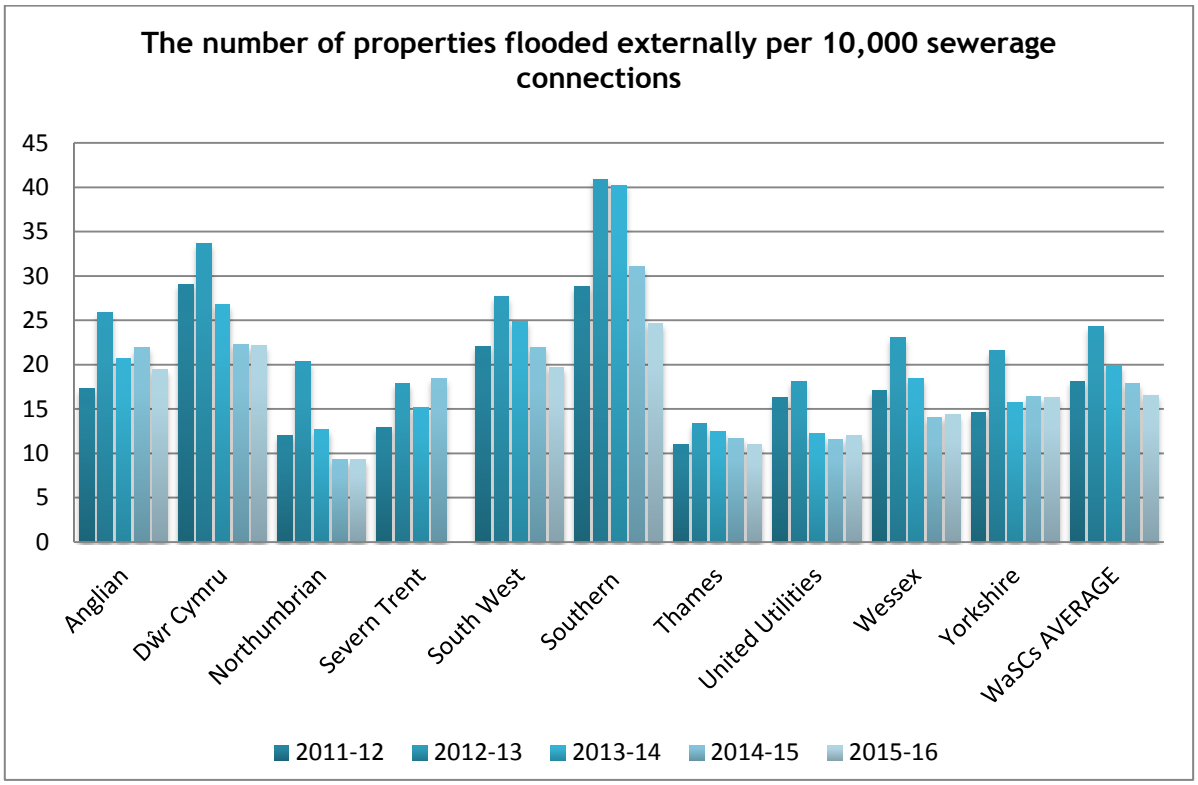
[26] Based on the total number of water and sewerage, and sewerage only connections. Information relates to public sewers and does not include those which have transferred to companies from private ownership as these were not included in the targets set for companies at the 2009 price review period.

- South West made a 9.6% reduction (19.73 areas flooded per 10,000 connections). Despite this the company did not meet its performance commitment in relation to sewer flooding and remain above the industry average. We note that South West's performance commitment now also relates to private sewers transferred to the company's ownership. To combat this it is undertaking further sewer rehabilitation/relining and the replacement of trunk sewers. South West aims to improve how quickly it responds to flooding incidents and to raise customer awareness about what can be flushed down toilets and sinks.

Dŵr Cymru is also worse than the industry average (22.17) and reported a 0.2% increase in total areas flooded. We are aware that the company is taking steps to identify hotspot areas and high-risk customers to address increasing dissatisfaction and contact from customers relating to these incidents. Whilst Southern made a reduction it remains worse than the industry average.

United Utilities (5.4%) and Wessex (2.9%) also reported increases.

Chart 5: The number of areas flooded externally per 10,000 sewerage connections[27]



N.B. 2015-16 comparable data is not yet available for Severn Trent as the company altered its reporting systems to match its performance commitment. However, it will be able to report comparable information in future years, but this information was not available in time for publication of this report. Severn Trent reports that it delivered on the commitments made to its customers. Its flooding performance commitments are more ambitious than previously as the company now records a property that floods twice as two incidents whereas before that property would only have been counted once.

[27] Based on the total number of water and sewerage, and sewerage only connections. Information relates to public sewers and does not include those which have transferred to companies from private ownership as these were not included in the targets set for companies in the 2009 price review period.

21st Century Drainage Programme

In late 2014 Defra, Ofwat, the Environment Agency and Water UK (the trade association for the sewerage companies) discussed how to improve the sustainability and resilience of the UK's wastewater infrastructure to deliver better customer service and minimise greenhouse gas emissions. The result was the creation of the Water UK-led 21st Century Drainage Programme Board. The Board is tasked with improving drainage systems over the next 25–50 years so that they will be able to handle projected increased flows through them and limit incidents of sewer flooding. CCWater has observer status on the Programme Board.

In early October 2016, the Programme Board published a 36-page document that set out the future challenges and how these would be tackled. Seven linked work streams have been identified:

- **Communications and engagement** - informing key stakeholders, including customers, about the programme's ambition to improve customer service by protecting communities from flooding and pollution.
- **Defining and managing drainage capacity** - identifying current and future use of the drainage system. This will lead to discussions about what strategic enhancements are needed, and when, to ensure that there is sufficient capacity in the drainage system for the next 25-50 years.
- **Addressing overflows that operate frequently** - developing a process to prioritise investment in those combined sewer overflows that spill frequently. The outcome will be greater protection from flooding for customers and the environment.
- **Sewer misuse** – promoting a 'do not flush' message to customers who might be tempted to use the loo to dispose of sanitary products and wet wipes branded as 'flushable'.
- **Groundwater inundation of drainage system** - managing rising groundwater that can enter drains and sewers and lead to flooding and pollution.
- **Enablers to progress** - identify and address the social, regulatory, legal and financial issues that might prevent progress being made in other work streams.
- **Drainage infrastructure deterioration** - understanding the rate at which the drainage system deteriorates, its effect on customer service, and how future investment should be targeted.

Over the next few years each sewerage company will build up a picture of what it needs to do to deliver the ambitions set out in the Programme Board's document. There are already a number of specific projects underway which will assist companies to scope and cost their plans for 2020-25. Additionally, there are other projects to gather evidence and assist the four Governments in the UK to consider options for change to deliver more resilient and cost effective services to customers.

3.2 Customer assistance and payment schemes

Key findings

- Overall almost 800,000 customers are receiving help through WaterSure, social tariffs, Water Direct and Special Assistance Registers.
- Companies continue to offer more assistance in different ways.
- But the industry needs to continue working towards targeted communication with customers who would benefit most from the schemes.

Customer affordability remains a key focus for us, with 12% of customers having told us that they find their water bills unaffordable[28]. Water companies have a range of different support schemes and strategies to help customers who are struggling to pay their bills and much more help is becoming available with the introduction of company social tariffs. However, customers' awareness of the help available to them remains relatively low.

We continue to work with companies to ensure that the right schemes are available and that customers know who to turn to and what help is available if they are struggling to pay their bill.

In January 2016 we teamed up with poverty relief charity Turn2us to launch two new tools on our website to help customers in financial difficulty identify ways to boost their household income. Customers can use our Grants Search tool to see if they qualify for assistance from more than 3,000 charitable funds, including those established by water companies. Our Benefits Calculator helps customers quickly identify whether they are entitled to a wide range of means-tested benefits, including Housing Benefit, Council Tax Support and Working Tax Credit. From its launch in January to the end of September 2016 4,100 customers had identified entitlement to annual benefits of more than £2.3 million.

The next sections of this report consider the following assistance and payment schemes:

- WaterSure and Welsh Water Assist;
- Social tariffs;
- Water Direct; and
- Special Assistance Registers.

Between 2015 and 2020 companies expect to help 400,000 households (around a million more people) through schemes designed to help them pay their bill.

Our research suggests that companies could build on the good work they are already doing to deliver affordability assistance by:

- Developing cross-sector partnerships.
- Using every interaction with customers to gather information and target support.
- Incorporating water affordability within more holistic debt advice approaches.
- Using 'moments of change' in customers' lives to embed affordability messages.
- Improving relationships with regular, positive customer contact.
- Developing tailored communication strategies.
- Exploring more ways of communicating with customer face to face.

http://www.ccwater.org.uk/blog/2016/07/13/delivering-affordability-assistance-to-water-customers-cross-sector-lessons/#more-8039

[28] http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/

WaterSure and Welsh Water Assist

WaterSure is a Government scheme which caps the water bill at the average household bill for the company, although both Bristol and Wessex offer a further reduction and cap the water bill at the average metered charge. Customers are eligible for this assistance if they are:

- on a water meter (although the Welsh Water Assist scheme historically extended help to unmetered properties serviced by Dŵr Cymru);
- in receipt of certain welfare benefits; and
- in receipt of child benefit for three or more children under 19, or have someone living at the property with a medical condition requiring high water use.

More information about WaterSure and eligibility for it can be found on our website here[29].

Although the scheme is mandatory only in England, both Dŵr Cymru and Dee Valley, which operate predominantly in Wales, have introduced similar schemes on a voluntary basis. 2014-15 was the last year during which Dŵr Cymru's Welsh Water Assist scheme extended WaterSure type assistance to unmetered customers, with charges capped at a lower level than the average bill. WaterSure Wales remained a Dŵr Cymru scheme for metered customers only. In 2015-16 there were 10,146 metered customers receiving help through WaterSure Wales and Welsh Water Assist, and 23,721 unmetered. Welsh Water Assist is currently being phased out and ceased to be offered to new claimants from 1st April 2015, following the introduction of Dŵr Cymru's new social tariff 'HelpU'.

Charts 6a and 6b overleaf show how many customers per 10,000 metered connections are registered for WaterSure (or the equivalent scheme in Wales). These figures are for information only. They cannot be compared across companies because the level of charges and the extent of household poverty will vary between companies and will have an impact on uptake of the schemes.

The numbers of customers receiving help through WaterSure and Welsh Water Assist has increased at a rapid rate over the past five years. In 2011-12 there were just under 79,000 customers registered for WaterSure and this has increased by 66% to over 130,000 over the five-year period.

For some companies the uptake has decreased as customers have instead moved onto social tariffs. However, large increases were seen by Anglian (+48.3%), Southern (+33.6%), South East (+22.6%) and Northumbrian (+20.5%).

Dee Valley reported a 20.3% increase and attribute this to improvements to in-house training for their staff and better communication with customers who can cascade information to relatives. The company used personal contact and home visits to increase awareness, as well as building partnerships with other organisations. This is a positive increase and we encourage Dee Valley to apply the same approach to their new social tariff, Here2Help, which has had only very limited uptake in the first six months.

[29] http://ccwater.custhelp.com/app/answers/detail/a_id/406

Chart 6a: The number of customers per 10,000 household metered connections that are registered on WaterSure or the equivalent (water only companies)[30]

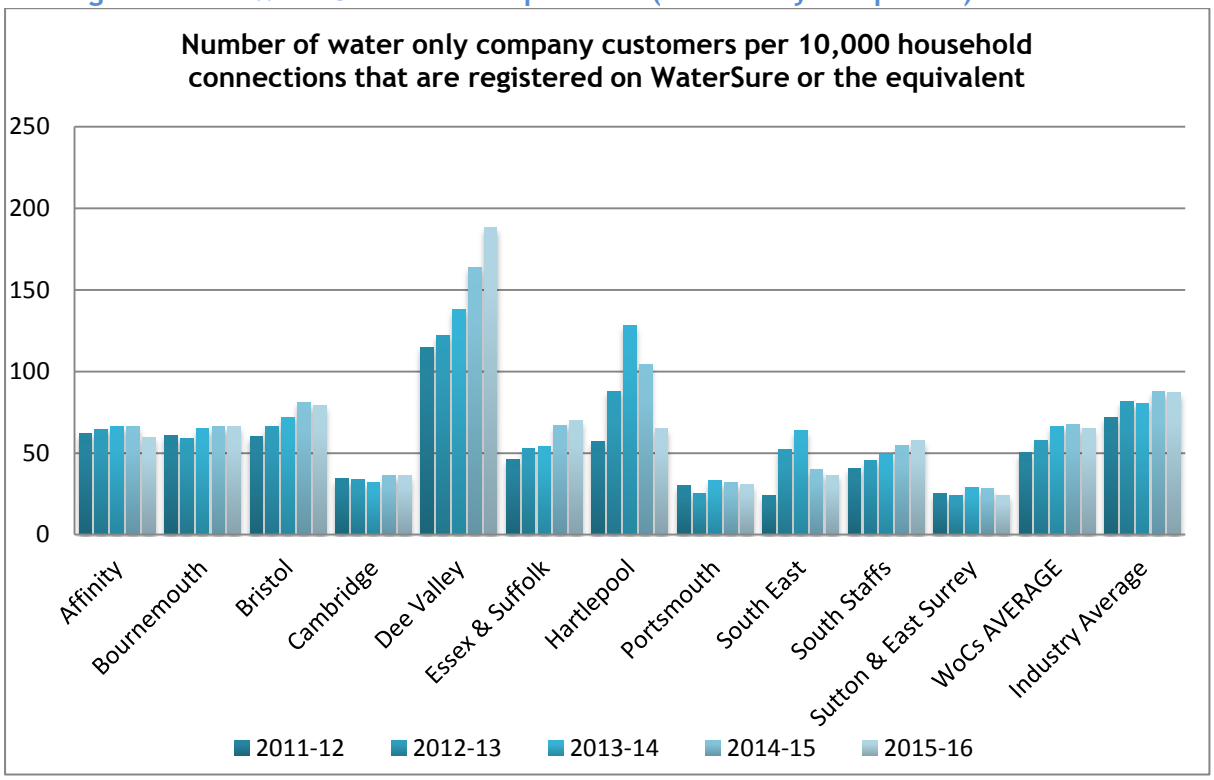
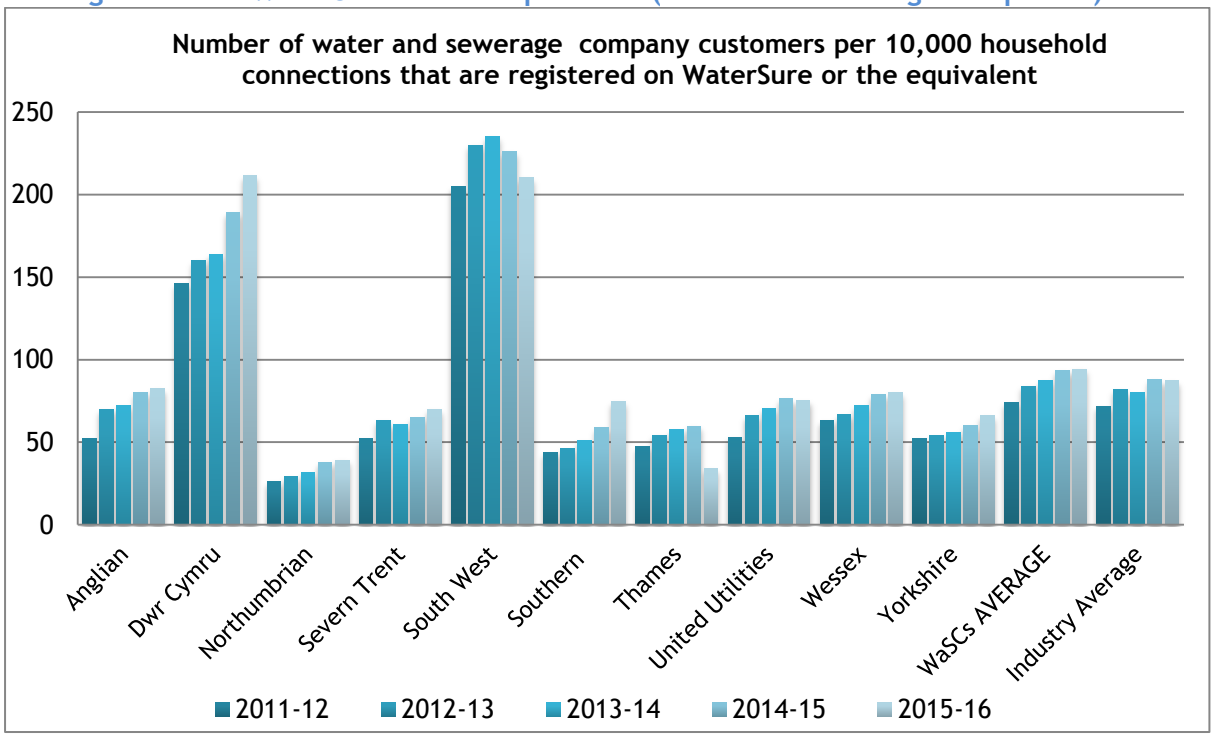


Chart 6b: The number of customers per 10,000 household metered connections that are registered on WaterSure or the equivalent (water and sewerage companies)[31]



[30] Based on metered household water only connections. The 2014-15 figures for Bristol Water and Wessex Water refer to the WaterSure Plus scheme which has the same eligibility criteria as WaterSure, but offers greater financial assistance.

[31] Based on metered household connections (water, sewerage and sewerage only). Includes the Dŵr Cymru Welsh Water Assist for metered households but not for unmetered.

Whilst good progress has already been made we know that only 8% of customers know about WaterSure[32]. Companies need to increase their efforts to raise awareness of this and other assistance schemes.

Social tariffs

The Government introduced legislation under the Flood and Water Management Act 2010 which enabled companies to operate local social tariff schemes funded by customers through their bills. These social tariffs provide lower bills for some customers who might otherwise struggle to pay. Government guidance requires companies to consult CCWater on the development of such tariffs and to test their acceptability with customers. Details of the social tariff schemes which are now available can be found on the CCWater website.[33]

At the end of 2015-16 there were 131,989[34] customers receiving help through social tariffs.

Table 5: The number of customers per 10,000 household connections that are registered for customer funded social tariffs[35]

	2013-14	2014-15	2015-16
Water and Sewerage Companies			
Anglian	N/A	N/A	5.27
Dwr Cymru	N/A	N/A	22.60
Northumbrian	N/A	N/A	7.06
Severn Trent	N/A	N/A	24.22
South West	15.10	36.53	51.37
Southern	N/A	N/A	42.18
Thames	N/A	4.92	34.70
United Utilities	N/A	N/A	41.55
Wessex	65.02	77.17	81.51
Yorkshire	N/A	N/A	31.72
Water only companies			
Affinity	N/A	150.49	277.22
Bournemouth	N/A	N/A	N/A
Bristol	87.32	111.77	125.66
Cambridge	N/A	N/A	N/A
Dee Valley	N/A	N/A	N/A
Essex and Suffolk	N/A	N/A	3.76
Hartlepool	N/A	N/A	N/A
Portsmouth	N/A	N/A	N/A
South East	N/A	N/A	49.95
South Staffs	N/A	N/A	N/A
Sutton and East Surrey	N/A	106.02	210.38

[32] http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/
[33] http://www.ccwater.org.uk/savewaterandmoney/lower-bills-for-customers-struggling-to-pay/
[34] This includes 5,446 customers that are currently registered for United Utilities pilot tariff.
[35] Based on household connections (water, sewerage and sewerage only) for water and sewerage companies and water only connections for water only companies.

19 out of the 21 water companies across England and Wales now have social tariffs, with the remaining two expected to launch schemes in 2017.

Company social tariff schemes have been developed in consultation with their customers. As such they vary considerably in terms of their eligibility criteria and the scope of help which is provided. This can be confusing for customers, especially when they are receiving services from two different companies. We will continue to work with companies to determine where schemes can simplified and made more consistent.

CCWater is leading the way on helping companies raise awareness of the help available through social tariffs and other assistance schemes. In October 2014 we held an industry seminar to identify ways in which companies could improve the assistance they provide to customers who are struggling to pay and the ways in which the availability of this help is communicated. The seminar produced a number of recommended actions and we are now working with companies to implement them. We will hold a workshop in November 2016 to explore company experiences in implementing the tariffs with a focus on sharing good practice and identifying solutions to any problems which have been encountered.

We have also added a guide to company social tariffs on our website to help customers identify what help is available from their company and whether they might qualify for support.

Water Direct

The Water Direct scheme enables some customers (usually those in arrears with water charges) to have payments taken directly from their benefits. Some customers find this helpful in managing their household budgets. You can find out more about the scheme on our website here[36].

Charts 7a and 7b below show the number of customers who are paying their water bill through Water Direct for each company. However, this cannot be used to draw direct comparisons between companies because there are several local factors which can affect take-up of the scheme. These include the number of customers who receive benefits locally and the level of customer debt.

Until 2015-16 we had seen that the number of customers paying their charges through Water Direct had been increasing at a steady rate for each of the previous five years. However, 2015-16 has shown the first decrease (-0.7%).

Some companies have informed us that the decrease in the number of customers paying through Water Direct is due to an increase in the number of households receiving help through social tariffs. It may also be being driven by data cleansing or customers moving out of receiving benefits.

Last year we noted a slight downward trend in the number of customers per 10,000 connections registered for Water Direct with Southern, Thames, United Utilities, Yorkshire, Affinity, Cambridge and Portsmouth. In most cases this trend has continued into 2015-16, with the exception of United Utilities and Yorkshire which have both seen a slight increase per 10,000 connections this year. Northumbrian, South East and Bournemouth were the only other companies that had an increase per 10,000 connections.

[36] http://ccwater.custhelp.com/app/answers/detail/a_id/247

Chart 7a: The number of customers per 10,000 household connections that are registered on Water Direct (water only companies)[37]

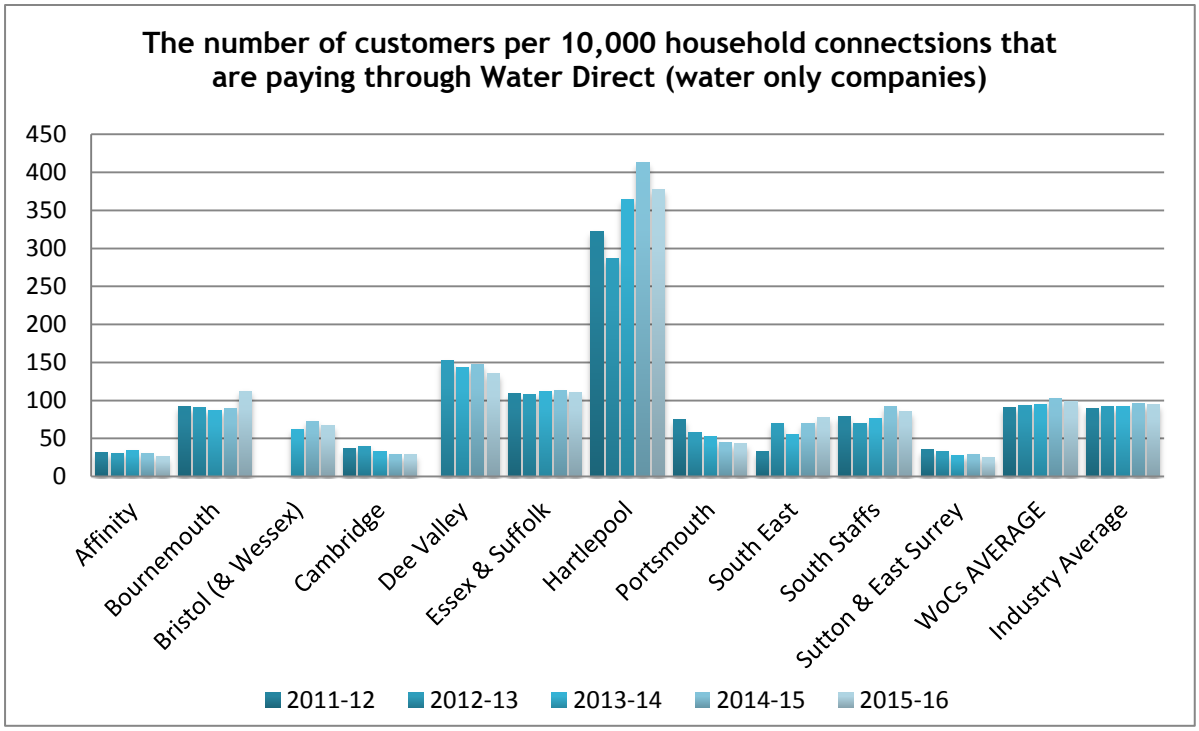
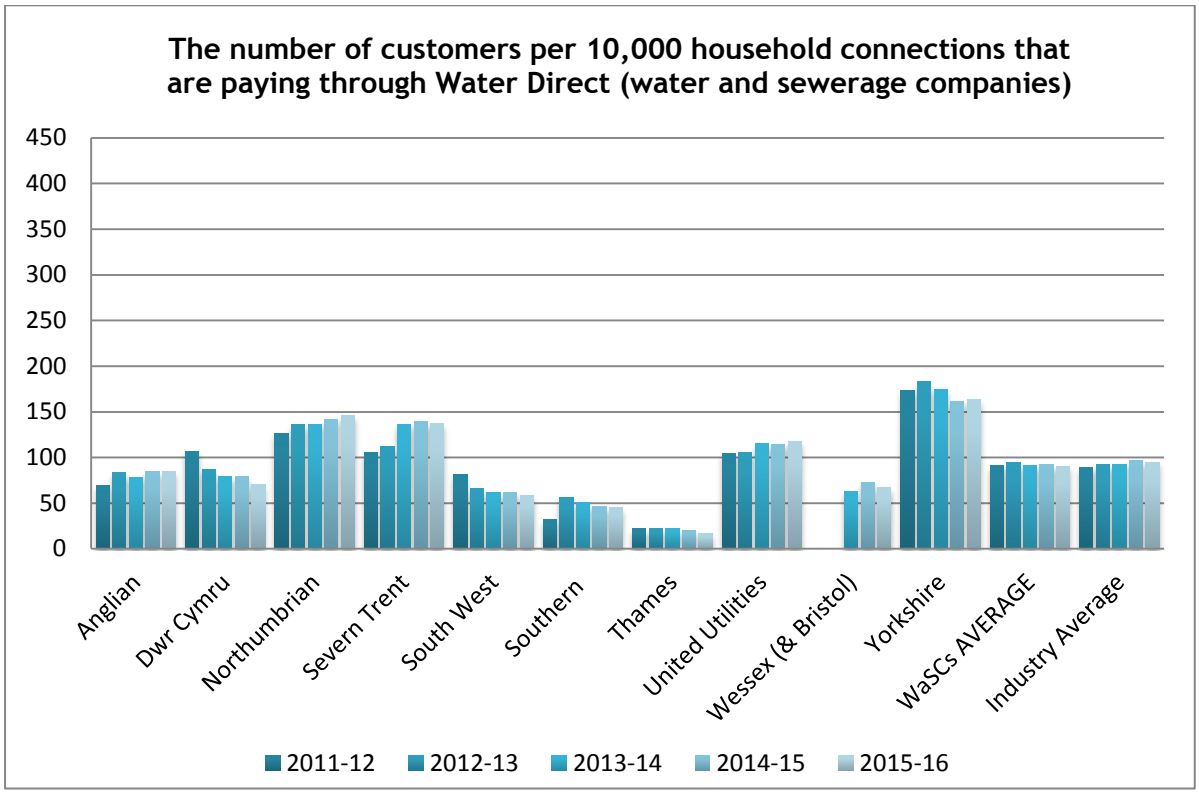


Chart 7b: The number of customers per 10,000 household connections who are registered on Water Direct (water and sewerage companies)[38]



[37] Historic figures are not available for all companies. Based on all household water only connections.
[38] Historic figures are not available for all companies. Based on all household connections (water, water and sewerage and sewerage only).

Special Assistance Registers

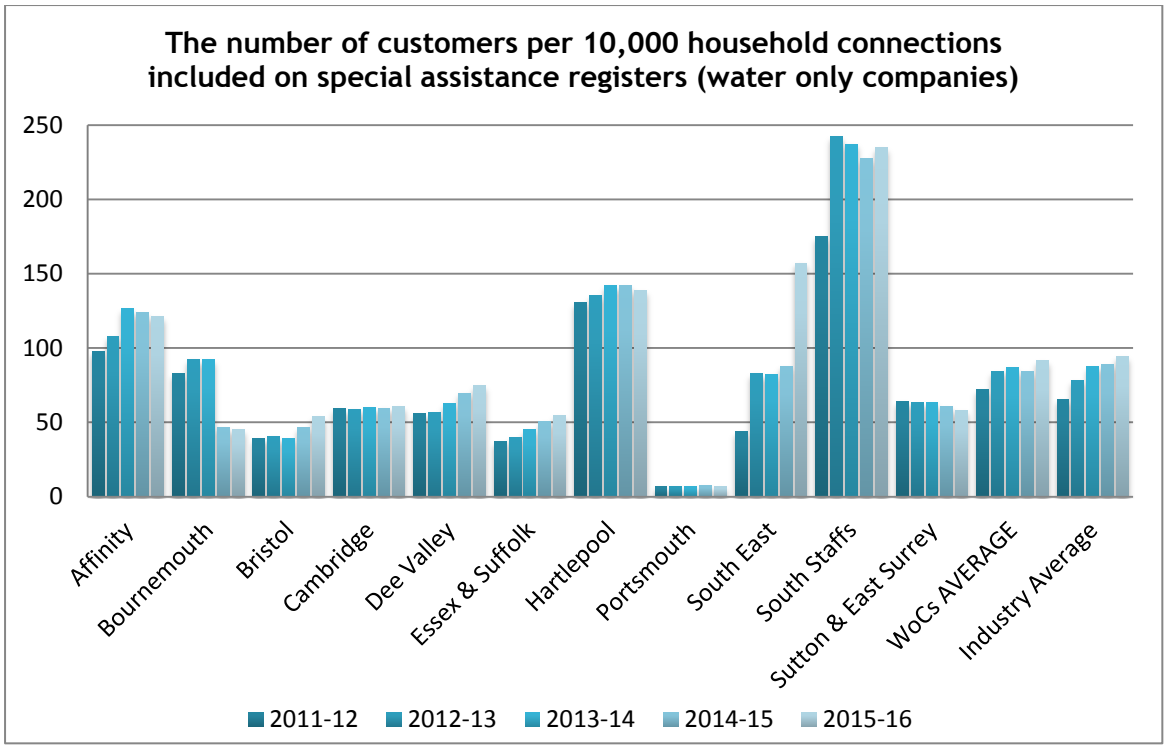
Every water company has a 'special assistance register' which allows customers to register for additional help in accessing services such as meter reading, help during water supply interruptions, large print, Braille or talking bills. The schemes are open to anyone who needs extra help regardless of age, health or disability. You can find further information about the types of assistance available here.

Charts 8a and 8b below show that the number of customers who have signed up for extra help has been increasing at a steady rate over the past five years, from 186,171 in 2011-12 to 280,324 in 2014-15. This is a 51% increase across the five-year period and companies are to be commended for promoting their schemes.

This year South East has recorded a 78.7% increase in the number of customers registered for special assistance, which they attribute to the introduction of a customer care team to support their work around vulnerability. Bristol increased the number of customers on its scheme by 16.6%.

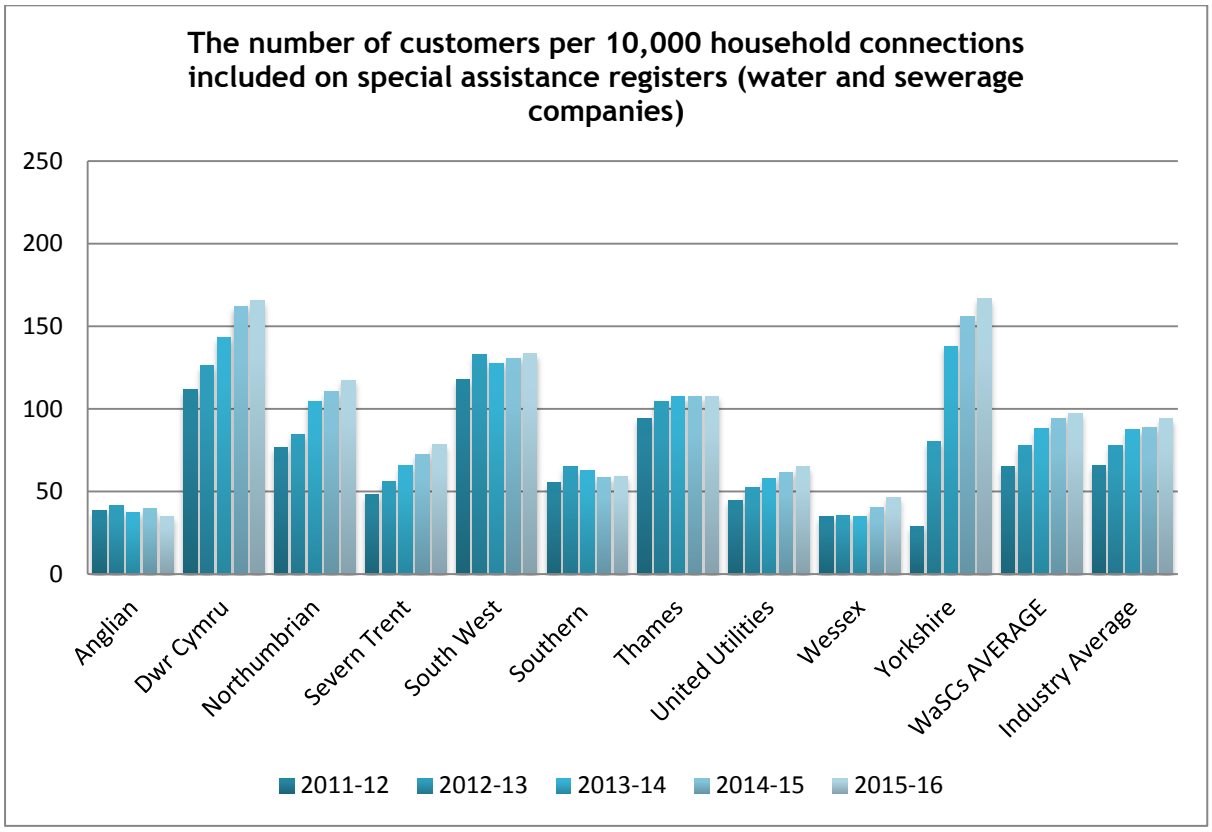
However, we have seen decreases for Anglian (-11%), Portsmouth (-9.3%) Sutton & East Surrey (-4.7% - who also reported a decrease in the previous year), Bournemouth (-3.2% - who also saw a decrease in 2014-15 due to a review of their reporting process), Hartlepool (-1.7%) and Affinity (-1.5%). These decreases are likely to be due to people moving away from the area or dying.

Chart 8a: The number of customers per 10,000 household connections who are registered on special assistance registers (water only companies)[39]



[39] Based on all household water only connections.

Chart 8b: The number of customers per 10,000 household connections who are registered on special assistance registers (water and sewerage companies)[40]



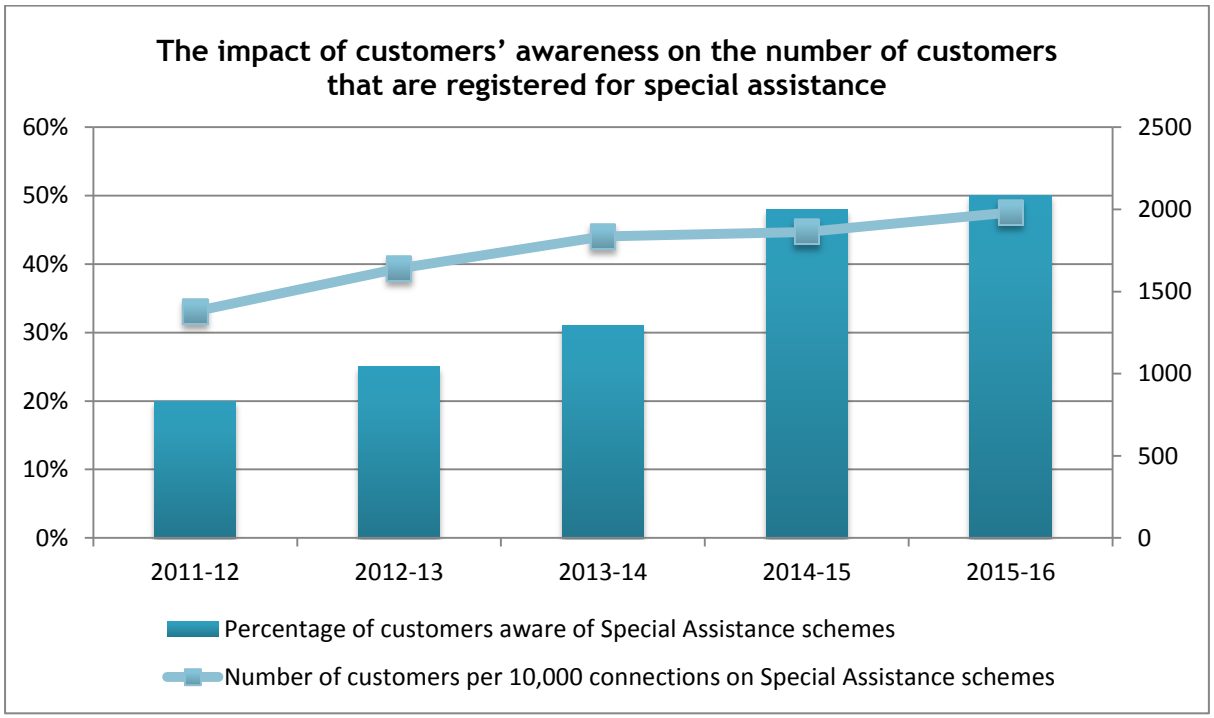
Wessex saw an increase of 19.5% in 2015-16 with the company seizing opportunities to identify customers' circumstances through telephone contact and partnering with organisations, such as energy companies, to be able to offer more holistic advice.

Chart 9, below, shows the impact of customers' awareness on the number of people that are registered for special assistance. It shows an increase in awareness alongside a rise in take up. Awareness of the scheme has increased from 48% to 50% in the past 12 months[41]. The slight dip in take up for 2014-15 was due to how Bournemouth had previously reported its figures, counting individual registrations, not customers (for example, if someone is blind and deaf they would have been recorded as two entries).

[40] Based on all household connections (water, water and sewerage and sewerage only).

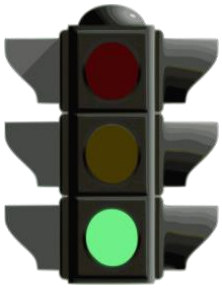
[41] http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/

Chart 9: The impact of customers' awareness on the number of customers that are registered for special assistance



3.3 Metering

Key findings



- There has been an upward trend in household metering over the past five years, from 44% to 53% during that time.
- In 2015-16 household metering increased by 1.7 percentage points.
- But many customers do not know about the options available to them with regard to metering. Therefore, the industry must improve its communication in this area.
- There has been a slight decrease in non-household metering. This is likely to be due to data cleansing ahead of retail market opening in April 2017.

Household properties

The majority of customers support metering as the fairest way to charge for the water they use, but many do not support compulsory metering because they are unsure about how this will affect their bill[42]. The case for compulsory metering can be understood in areas of significant water stress, where it can bring environmental benefits and reduce the need to build new reservoirs. The case is not as compelling in areas where water resources are not under stress.

Where feasible all new properties are fitted with a water meter. Some water companies also selectively meter properties when they change ownership/occupier or have a high discretionary use of water (e.g. garden watering or swimming pools).

Metering can be one way for customers to manage their water bill. Any customer who is currently paying their bill based on the rateable value of their property (and is not subject to a compulsory metering programme) can request to switch to a water meter. However, our research shows that only two-thirds of unmetered customers are aware of this[43].

Installation of the meter is free and customers have the option to revert to their previous method of charging within 12 months (or longer for some companies). But only 64% of unmetered customers are aware of this[44]. Awareness of these rights could be a barrier to companies meeting their targets and so further communication about the meter option is needed.

Household customers can find out if they could save money by switching to a water meter by visiting our Water Meter Calculator at:

www.ccwater.org.uk/watermetercalculator/

[42] http://www.ccwater.org.uk/wp-content/uploads/2013/12/The-Customer-Impact-of-Universal-Metering-Programmes.pdf
[43] http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/
[44] http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/

Table 6: Percentage of household metering

	2011-12	2012-13	2013-14	2014-15	2015-16	Trend
Industry Average	**43.8**	**46.7**	**49.1**	**51.3**	**53.0**	
Water and Sewerage Companies						
Anglian*	70.3	73.1	74.7	76.8	77.7	
Dŵr Cymru	34.0	35.0	37.0	38.0	39.0	
Northumbrian	25.9	27.8	29.7	31.4	33.1	
Severn Trent	35.9	37.5	39.0	40.9	41.0	
South West	73.4	75.4	76.9	78.1	79.1	
Southern	52.2	64.5	75.2	82.5	85.6	
Thames	31.1	32.5	33.8	34.9	36.1	
United Utilities	33.0	35.0	37.0	38.4	40.0	
Wessex	51.0	54.0	56.0	58.0	58.0	
Yorkshire	40.7	43.0	45.2	47.1	49.0	
Water only companies						
Affinity	45.1	47.3	48.6	49.6	50.5	
Bournemouth	60.1	62.3	64.3	66.4	68.1	
Bristol	37.3	39.7	42.2	44.6	46.6	
Cambridge	65.1	66.4	68.0	69.3	70.2	
Dee Valley	52.0	54.0	56.0	57.0	59.0	
Essex & Suffolk	52.0	53.9	55.5	57.3	58.7	
Hartlepool	27.4	29.8	32.2	34.3	35.2	
Portsmouth	19.0	21.0	23.0	25.3	28.0	
South East	47.0	57.0	60.0	67.0	74.0	
South Staffs	28.3	29.9	32.5	34.2	35.1	
Sutton & East Surrey	38.5	41.6	44.3	45.9	48.7	
* Anglian includes Hartlepool						

There has been a 1.7 percentage point increase in metering during the year and an upward trend over the past five years (from 44% to 53%). Between 2015 and 2020 the industry is expected to increase metering levels from 51% to 61%[45].

[45] https://www.ofwat.gov.uk/pricereview/pr14/det_pr20141212final.pdf

Non-household properties

For non-households the percentage of properties metered is much higher (90% on average). Whilst most non-household properties are metered it may not be appropriate for lock-up garages, field troughs or other small uses of water to be metered.

Table 7: Percentage of non-household metering

	2011-12	2012-13	2013-14	2014-15	2015-16	Trend
Industry Average	89.1	89.4	89.7	90.2	89.9	
Water and Sewerage Companies						
Anglian*	96.8	97.2	98.0	97.8	98.0	
Dŵr Cymru	91.0	91.0	91.0	91.0	92.0	
Northumbrian	87.8	87.9	88.1	88.4	89.0	
Severn Trent	93.2	93.4	93.4	92.9	81.5	
South West	91.8	92.2	92.5	93.1	96.4	
Southern	89.2	89.3	89.6	89.9	90.5	
Thames	83.1	83.5	83.6	83.4	83.7	
United Utilities	90.0	90.0	91.0	91.3	91.0	
Wessex	90.0	90.0	91.0	91.0	91.0	
Yorkshire	85.8	86.1	86.3	87.3	86.8	
Water only companies						
Affinity	87.7	88.2	88.0	88.4	88.7	
Bournemouth	94.2	94.3	93.7	93.9	91.0	
Bristol	87.3	88.3	89.8	92.4	95.5	
Cambridge	91.4	91.6	91.9	92.2	92.4	
Dee Valley	93.0	93.0	93.0	93.0	93.0	
Essex & Suffolk	95.2	95.3	94.7	95.1	95.4	
Hartlepool	70.3	71.3	72.6	73.0	74.0	
Portsmouth	90.0	90.0	90.0	90.2	89.2	
South East	91.0	91.0	92.0	95.0	95.0	
South Staffs	86.2	86.7	87.0	87.4	87.6	
Sutton & East Surrey	86.2	86.4	86.7	86.9	86.7	
* Anglian includes Hartlepool						

Over the past five years non-household metering has increased by 0.8 percentage points, although 2015-16 was the first year that we have seen a decrease (0.3 percentage points). This is thought to be due to companies beginning to cleanse their data ahead of non-household retail competition being introduced in April 2017.

3.4 Daily water consumption

Key findings

- Over the past five years, there has been a downward trend in the amount of water that households are using each day, although fluctuations can be seen throughout the years.
- However, in 2015-16, there was a slight increase in the amount of water that customers use each day.
- Only four companies have met the UK Government's aspirational target of 130 litres per person, per day.
- Unsurprisingly, unmetered households use more water (around 30 litres per person per day more) than metered households.

The changing climate, population growth and changes in household size are having an impact on water availability. But only one in five people (21%) has seen or heard something in the past year about pressures or impacts on water resources in the UK[46]. Although the UK is thought to have a wet climate our available water resources are under pressure and tighter controls on the amount of water that is taken from the environment are being put in place.

Water companies and customers both have a role to play in becoming more efficient in water use. For companies this is largely through tackling leakage and promoting efficient water use among their customers. For customers it is about how they use water. However, two in five adults in England and Wales have not made a conscious decision to reduce the amount of water that they use[47].

Two-thirds of people in England and Wales have decided to use less water over the past three years. They are most likely to do this in simple and convenient ways:

- Turning off the tap when brushing teeth.
- Waiting for a full dishwasher or washing machine load.
- Only boiling the water they need.
- Taking showers instead of baths.
- Having shorter showers.
- Flushing the toilet less often.

But many people see water saving as common sense and this could be a barrier to them adopting new ways of saving water.

http://www.ccwater.org.uk/blog/2016/08/10/attitudes-to-tap-water-and-using-water-wisely/

There are several simple steps that each and every one of us could take to reduce the amount of water we use. Individually, it might seem like a small saving but collectively it would be large and might defer the need to build new resources which would add cost to customers' bills. For more information on using water wisely, visit our website here.

2015-16 saw a slight increase in the amount of water that each person uses each day (0.75%). Many companies remain a long way off the UK Government's aspirational target of 130 litres per person, per day. In fact, only four companies have succeeded in meeting or beating this target: Hartlepool (128 litres), South Staffs (129 litres), Severn Trent (130 litres), and United Utilities (130 litres).

[46] http://www.ccwater.org.uk/blog/2016/08/10/attitudes-to-tap-water-and-using-water-wisely/
[47] http://www.ccwater.org.uk/blog/2016/08/10/attitudes-to-tap-water-and-using-water-wisely/

However, five companies are close to meeting this level: Southern (132 litres), Yorkshire (133 litres), Cambridge (133 litres), Bournemouth (134 litres), and Dee Valley (135 litres).

In 2015-16 the largest decreases in the amount of water people use each day were for Bournemouth (-3.5%), Dŵr Cymru (-2.1%) and Southern (-2.1%). Conversely, the greatest increases were seen for South East (+8.8%) - which has explained that new guidance from Ofwat on the classification of household and non-household properties has resulted in changes to its figures this year - Hartlepool (+6.3%), Dee Valley (+3.4%) and Severn Trent (+3.1%).

Eight companies were above the industry average of 139.6 litres per person, per day: South East (161 litres) - which has seen figures rising over the five-year period, with the exception of 2014-15 when there was a decrease; Sutton & East Surrey (158 litres) - despite reporting a 2% decrease, Essex & Suffolk (151 litres), Affinity (152 litres), Thames (149 litres), Northumbrian (145 litres), Portsmouth (143 litres) and Bristol (141 litres).

Table 8: Average water use (litres per person, per day)

	2011-12	2012-13	2013-14	2014-15	2015-16	Trend
Industry Average	**145.8**	**140.1**	**141.5**	**138.6**	**139.6**	
Water and Sewerage Companies						
Anglian*	144.8	136.2	135.1	133.4	135.4	
Dŵr Cymru	152.1	144.4	144.6	141.5	138.5	
Northumbrian	146.2	140.5	141.2	141.9	144.7	
Severn Trent	125.0	120.9	129.3	126.4	130.4	
South West	134.5	136.7	136.9	134.6	136.6	
Southern	156.7	143.4	140.8	134.8	132.0	
Thames	160.6	154.7	156.2	150.9	149.3	
United Utilities	132.0	128.0	129.1	130.0	130.0	
Wessex	139.8	136.3	138.4	138.8	138.1	
Yorkshire	136.0	133.4	136.2	133.0	133.1	
Water only companies						
Affinity	157.6	148.5	154.7	148.3	152.2	
Bournemouth	146.4	142.4	144.1	138.4	133.6	
Bristol	142.0	141.0	144.0	143.0	141.1	
Cambridge	140.7	133.1	130.1	130.5	132.9	
Dee Valley	138.3	135.5	132.9	130.4	134.9	
Essex & Suffolk	153.0	147.4	151.9	151.0	150.7	
Hartlepool	123.7	123.1	124.7	119.9	127.5	
Portsmouth	160.0	149.0	148.0	145.5	143.3	
South East	167.2	159.4	155.6	148.2	161.2	
South Staffs	135.6	127.6	131.0	129.0	128.9	
Sutton & East Surrey	168.6	161.5	166.5	161.1	157.9	
* Anglian includes Hartlepool						

Each of the first four companies named in the paragraph above are in areas where water resources are under strain and where population is forecast to grow. If these companies are to reduce water use among their customers then they will need to step up their promotion of water efficiency.

Metered versus unmetered properties

The table below demonstrates how the average amount of water people use each day relates to whether or not there is a water meter at the property.

Table 9: Water use per person - litres per day (metered and unmetered)

	2011-12	2012-13	2013-14	2014-15	2015-16
Metered	128.67	124.40	124.92	122.50	124.64
Unmetered	156.82	151.59	154.53	152.82	154.53
Difference	28.15	27.19	29.61	30.32	29.89

Additionally, 2015-16 has seen a slight increase in water consumption for both metered (1.75%) and unmetered (1.12%) customers, returning to levels last seen in 2013-14.

3.5 Drinking water quality

Key findings

- Compliance with the Drinking Water Directive in 2015 was 99.96%, a slight increase from 99.95% in the previous year.
- There are high levels of customer satisfaction with drinking water quality.

Quality drinking water is a priority for water customers and our research shows that 93% of customers are satisfied with the safety of their drinking water[48].

Drinking water quality is regulated by the Drinking Water Inspectorate (DWI). Its annual report[49] outlines what it does to check that water companies and local authorities have taken action to maintain or improve the quality of drinking water to safeguard public health. Compliance with the European Union's Drinking Water Directive standards in 2015 was at 99.96%, a slight increase from 99.95% in the previous year.

There are high levels of customer satisfaction and compliance with safety standards.

However, some customers still prefer to drink bottled water at home (14%). About half of these customers perceive tap water to be of a poor quality or to have a bad taste or smell.

This can often be overcome by simply placing a jug of water in the fridge to chill. Any residual chlorine in tap water (which is there to protect consumers' health) will disappear. This often improves the smell and taste of the water.

Tap water costs less than 1p per litre compared to over £1 per litre for some branded bottled water.

Companies have been challenged by the DWI to increase compliance to 100% by 2020.

Bournemouth was the only company to achieve 100% compliance in 2015, with Affinity coming a close second with 99.99%.

Dee Valley was an outlier in 2014 with 99.88% compliance, but it worked hard to reach the industry average of 99.96% in 2015.

The poorest performing companies are Hartlepool (99.81% compared to 100% in the previous four years) and South Staffs (99.87% compared to 99.98% in 2014). As Hartlepool has a small customer base, a small number of events can have a significant impact on overall compliance. We welcome the ongoing dialogue that the company has had with us on this matter and note its plans to prevent similar issues in the future. These include prioritised high-velocity flushing of areas with high rates of

[48] Water Matters 2016 - http://www.ccwater.org.uk/blog/2016/06/28/water-matters-household-customers-views-on-their-water-and-sewerage-services-2015/

[49] http://dwi.defra.gov.uk/about/annual-report/2015/index.html - Please note that this reports on a calendar year basis.

discolouration contacts and manganese removal upgrades.

In order to improve its water quality standards South Staffs installed ultra-violet (UV) treatment at its Seedy Mill treatment works near Lichfield in 2016. It is also investigating corrective actions, including chlorine dioxide dosing and UV, at Hampton Loade near Bridgnorth.

Chart 10a: Overall drinking water quality 2011-2015 (water only companies)

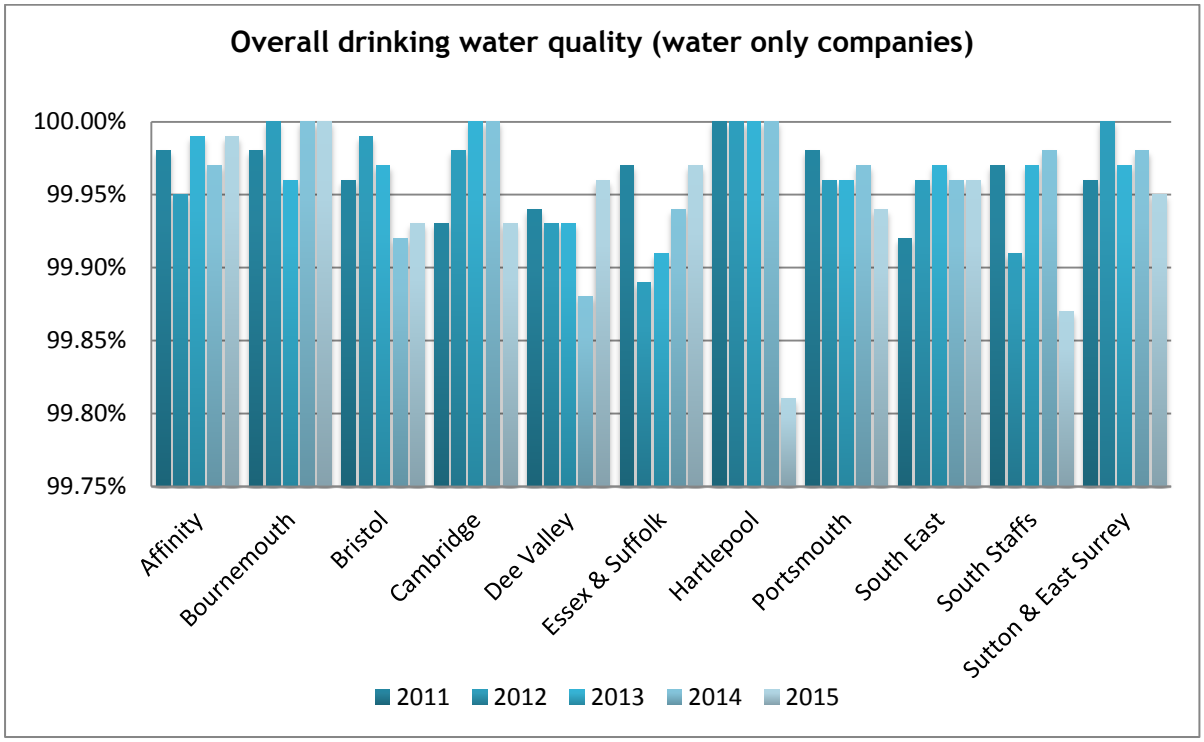
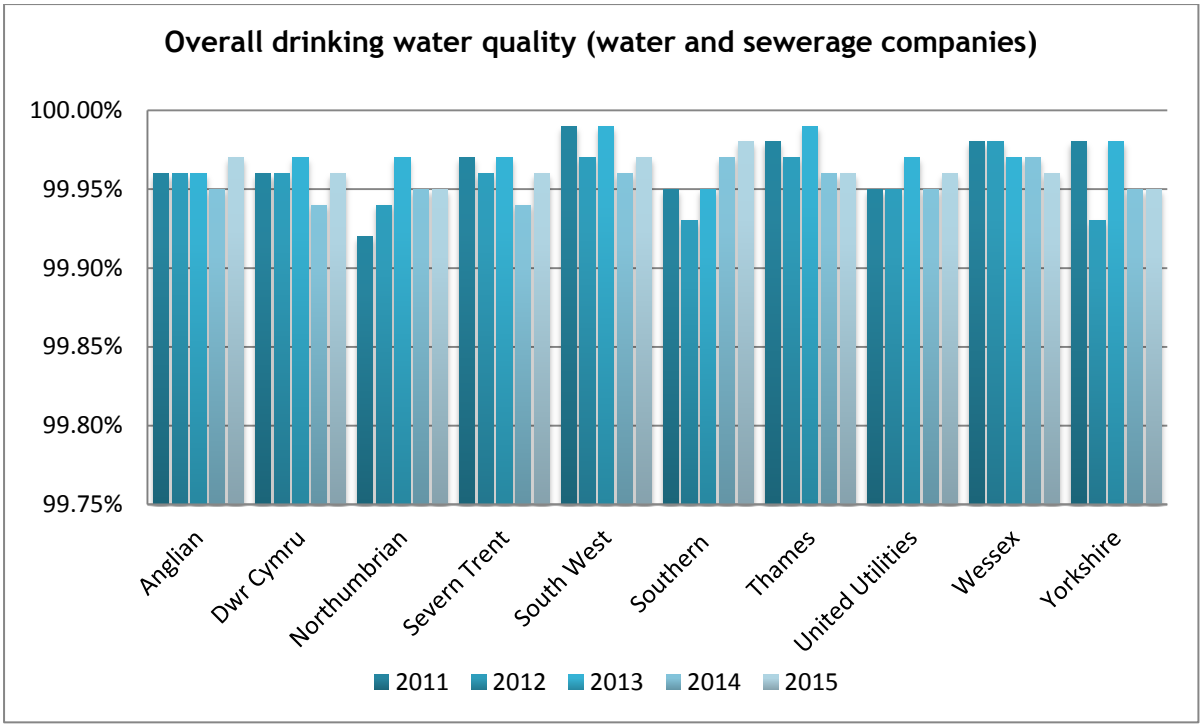


Chart 10b: Overall drinking water quality 2011-2015 (water and sewerage companies)



4. Conclusions

Complaints: Although total complaints to the industry fell for the eighth successive year, the reduction was small and was largely offset by an increase in complaint numbers by ten companies. Of particular concern was the performance of four companies - Southern, Affinity, Bournemouth and Dŵr Cymru – which either reported large increases in the year or which continue to be poor performers. As a result, we wrote to each company requiring them to provide an interim report on actions taken to drive down complaint numbers and their latest and forecast performance for the year.

While all four companies have taken action to improve their operational practices, internal processes, or how they engage with customers, it is unlikely that complaints numbers will fall sufficiently to return them to 2014-15 levels. As such, we have asked all four companies to provide us with a further interim report, covering the period October to December 2016, and will report on progress made early in the new year.

Supply interruptions: Although the amount of time customers were without a supply of water reduced by 41% last year, only 12 companies were responsible for this reduction, and this is masking significant increases by some companies. Five companies - South East, South West, Dŵr Cymru, Affinity and United Utilities - highlighted specific events which contributed to their worse than average performance. All have shared their improvement plans, and we will closely monitor these companies' supply interruptions performance through our quarterly update meetings.

Leaks: Leakage remains a key customer concern. Although companies reported a 1.4% reduction in leakage levels this year, reversing the upward trend of recent years, we believe that companies need to be more active in leakage management. Water is likely to become a diminishing resource, particularly in the south and east of England, because of population growth and climate change. While customers will need to use water ever more wisely, companies will need to better conserve the water that is currently available. Active leakage control is a key part of that conservation strategy.

Sewer flooding: Although the winter of 2015 was particularly wet, this surprisingly had minimal effect on internal or external sewer flooding at an industry level. Nevertheless, there were some companies which reported increased sewer flooding. Southern, for example, reported an increase in internal incidents and performs worse than the industry average. It also is the poorest performer in terms of incidents per property served for external sewer flooding. We will, therefore, closely monitor the company's performance this year, and that of South West which, despite making reductions in external flooding incidents, performed worse than the industry average and did not meet its performance targets.

Customer assistance and payment schemes: The number of customers receiving help in paying their bills continues to rise, but our research shows that customer awareness of the help that companies can provide is low. We will continue to work with companies to share best practice in promoting and implementing financial assistance schemes via a CCWater-hosted workshop in late November 2016 and by individual discussions with companies.

Metering: Metering continues to increase across England and Wales, in line with the targets set in the companies' 2014 final determinations i.e. by 2020 61% of household properties will be metered. CCWater is committed to doing all it can to ensure that for compulsory metering programmes, customers receive good quality information and that financial protections are in place to help them transition from unmetered to measured charges. We have undertaken research in conjunction with Southern to understand if and how the customer journey could be improved for those that will go through a future compulsory metering programme. We will work with the industry once the findings from this work have been published.

Daily water consumption: The amount of water used by customers each day has fallen for the last five years, although only four companies have so far met the UK Government's aspirational target of 130 litres per person per day. CCWater regularly promotes water saving messages, and the companies provide a range of water efficient devices to help customers conserve water. Our research shows that two-thirds of customers are making a conscious effort to reduce water usage. Many customers see water saving as common sense, but would also welcome advice on other ways to save water. With population growth and climate change likely to put resources under increasing strain, there will be a need to encourage customers to use water ever more wisely. This is a challenge for all of us.

Drinking water quality: The quality of drinking water across the UK is high, and many customers recognise this. Nevertheless, there are occasions where the quality of water flowing through customers' taps is less than ideal. Whilst compliance with drinking water standards is regulated by the Drinking Water Inspectorate, we will continue to ask companies how they plan to improve the colour, taste or smell of the water they provide as it is such an important issue for customers and a regular source of complaint.

Appendix A: Statistical reliability of CCWater research

1. Water Matters

	Sample size	10% or 90% ±	30% or 70% ±	50% ±
Total	5,964	0.76	1.16	1.27
England	5,417	0.80	1.22	1.33
Wales	547	2.51	3.84	4.19
Company sample sizes	150	4.80	7.33	8.00
	200	4.16	6.35	6.93
	250	3.72	5.68	6.20
	350	3.14	4.80	5.24
	400	2.94	4.49	4.90
	500	2.63	4.02	4.38
Metered households	2,888	1.09	1.67	1.82
Unmetered households	3,076	1.06	1.62	1.77
150: Bristol, Cambridge, Dee Valley, Essex & Suffolk, Hartlepool, Portsmouth, South East, South Staffs and Sutton & East Surrey.				
200: Northumbrian, Southern, Thames, Affinity (East) and Affinity (Southeast).				
250: Affinity (Central).				
350: Bournemouth.				
400: Anglian, Dŵr Cymru, South West, United Utilities and Yorkshire.				
500: Severn Trent and Wessex.				

We give companies the opportunity to boost their sample in Water Matters. Any company listed above with a sample size of 250 or more chose to boost their sample.

2. The 2016 Attitudes to Tap Water & Using Water Wisely Survey

A sample size of 4,169 carries a maximum confidence interval of ±1.5% at the 95% confidence level, but readers should note that sub-samples are subject to larger confidence intervals. Where a difference is referred to as 'significant' it will have been corroborated via statistical testing.

	Sample size	10% or 90% ±	30% or 70% ±	50% ±
Total	4,169	0.91	1.39	1.51
England	3,161	1.04	1.6	1.74
Wales	1,008	1.85	2.83	3.09

3. Research into customer perceptions of leakage

	Sample size	10% or 90% ±	30% or 70% ±	50% ±
Total	1,891	1	2	2
England	1,700	2	2	2
Wales	191	4	7	7
Reducing leaks a priority before seeing material	1,288	2	3	3
Reducing leaks not a priority before seeing material	603	3	4	4

4. All other quoted research

Qualitative research is a technique used for an exploratory and in-depth understanding of attitudes and behaviours. It produces rich and detailed data from a relatively small number of individuals, selected to broadly represent a cross-section of the population in terms of their socio-demographic characteristics.

Due to the limited sample sizes used in qualitative research, the findings are not representative of the overall population in a statistically meaningful way. Any recommendations or hypotheses from qualitative research are born out of rigorous and robust analysis and interpretation of the qualitative evidence, making reference to the weight and strength of opinion observed across the sample where relevant, but without quantifying these. These recommendations should, ideally, be tested by quantitative research to determine the prevalence of these attitudes and behaviours across the population in a statistically meaningful way.

Appendix B: Links to companies' annual performance reports

Water and sewerage companies

Anglian	http://www.anglianwater.co.uk/_assets/media/ara2016_navigable.pdf and further information at http://www.anglianwater.co.uk/_assets/media/addendum_to_table3a_of_ara2016.pdf
Dŵr Cymru	http://www.dwrcymru.com/en/Reading_Room_Library/Company-Reports.aspx
Northumbrian	https://www.nwl.co.uk/_assets/documents/Northumbrian_Water_Annual_Report_FINAL.pdf
Severn Trent	https://ar2016.severntrent.com/assets/pdf/Severn_Trent_Annual_Report_2016.pdf
South West	http://www.southwestwater.co.uk/media/pdf/n/e/South_West_Water_Annual_Performance_Report_and_Regulatory_Reporting_2016.pdf
Southern	http://annualreport.southernwater.co.uk/media/default/PDFs/annual-report-15-16.pdf
Thames	http://www.thameswater.co.uk/about-us/19435.htm
United Utilities	http://corporate.unitedutilities.com/documents/united-utilities-annual-report-2016.pdf
Wessex	https://www.wessexwater.co.uk/annualresults2016/
Yorkshire	https://www.yorkshirewater.com/sites/default/files/APR%20YW%20March%202016%20Final%2014.07.2016.pdf

Water only companies

Affinity	https://stakeholder.affinitywater.co.uk/docs/Performance-Report-2015.pdf
Bournemouth	http://www.bournemouthwater.co.uk/Uploads/Docs/RegulatoryAccounts/HWD_Brochure_WEB.PDF
Bristol	http://www.bristolwater.co.uk/wp/wp-content/uploads/2016/07/BW-Annual-Performance-Report-2016-FINAL-signed.pdf
Cambridge	Included in the South Staffs report
Dee Valley	https://www.deevalleywater.co.uk/wp-content/uploads/2016/07/Annual-Performance-Report-2015-2016.pdf
Essex and Suffolk	https://www.eswater.co.uk/_assets/documents/Northumbrian_Water_Annual_Report_FINAL.pdf
Hartlepool	Included in the Anglian report
Portsmouth	https://www.portsmouthwater.co.uk/wp-content/uploads/2015/05/REPORT-ACCOUNTS-2016.pdf
South East	http://www.southeastwater.co.uk/about-us/reporting-on-our-success
South Staffs	https://www.south-staffs-water.co.uk/media/1874/annual-performance-report-2015-16.pdf
Sutton and East Surrey	http://www.waterplc.com/userfiles/file/Annual%20Report%202016.pdf

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