Outline

Regulatory evolution

The results

The SR15 process

What the future holds
Changing regulation

Pre 2002
- Poor regulatory performance
- Loss of confidence in water authorities

2002 - 2015
- Strong independent regulation
- Stretching performance and efficiency targets
- Journey to customer – centric model
- Working in partnership

Beyond 2015
- Customers at the heart of our plans
- Continued high performance – Leading Service
- Stretching efficiency targets
- TOTEX
Regulatory framework for SR10 (2010 – 15)

Enabling high performance
Regulatory enablement

Charges without efficiency challenge by 2010

Average Household Bill: £429

Charges with efficiency challenge accepted by 2010

Average Household Bill: £324
We are a leading utility in terms of performance.
Regulatory Measurement

**Water Services**
- Inadequate pressure
- Interruptions to supply
- Hose pipe restrictions
- Security of supply index
- Drinking water quality
- Pollution Incidents
- Leakage

**Waste Water Services**
- Sewer flooding incidents
- Pollution incidents
- Sewage sludge disposal
- Non-compliant works

**Customer Service**
- Customer contacts
- Assessed customer service
We put customers at the heart of everything we do

Regulatory enablement

Customer Experience Score

Formal Complaints

Customer Satisfaction

2010/11 2011/12 2012/13 2013/14 2014/15

No. Formal Complaints

95.0%

90.0%

85.0%

80.0%

75.0%

70.0%
Regulatory Enablement
A leading utility – Service Satisfaction

UK Customer satisfaction index 2014 (utilities)
Carbon footprint reduced by 83,000 tonnes CO₂
Regulatory Enablement
Sustainability and Innovation

Sustainable Land Management
Regulatory framework for SR15 (2015 – 21)

Customers directly informing our plans
Customers are at the heart of our plans for 2015 - 21
Headlines for 2015 - 21

- Improving customer service
- Further improving water quality
- Environmental improvements – particularly Glasgow
- Remove all properties at highest risk of internal sewer flooding
- Focus on external sewer flooding
- Build water supply resilience
- Sustain existing high performance

- Household charges linked to CPI – 1.6% fixed for next 3 years
- Borrowing of £720 Million over 6 years
- 6% Operational efficiency improvements
- c16% Capital efficiency improvements

All at charges lower than the industry average of England and Wales

Delivered through innovation, investing in our people and risk management
Customer Priorities

- Internal Flooding
- External Flooding
- Visible Leakage
- Interruptions to supply
Resilience

DUMFRIES & GALLOWAY
BLACK ESK AND PENWHIRN RESERVOIR
CAPACITY INCREASED

FIFE
NETWORK TRANSFER CONSTRUCTED
Innovation

Panton McLeod

50% REDUCTION IN
THMS
SR15 – Customer Experience Measure

Quantitative Component:

- **Service issue contacts (including email/social media)** × 0.5
- **All lines busy and calls abandoned** × 1
- **Written complaints** × 100
- **Regulator upheld complaints** × 1000

(All per 1,000 connected properties)

Qualitative Component:

- **Customer experience survey**
  - Continuous survey with customer contacts where work is required
  - 50%
- **No experience, no contact**
  - Conducted by YouGov on a quarterly basis
  - 30%
- **Experience, no contact**
  - Conducted by YouGov on a quarterly basis
  - 20%

Quantitative Score (Out of 50)

Qualitative Score (Out of 50)
What the future holds

We want to...

Be a leading service provider – not just in the water industry

Revolutionise the delivery of our capital programme

Delight our customers by showing that we care

Continue to provide clear, fresh Scottish drinking water

Protect and enhance our natural environment
Thank You