

# Our performance

## 2014/15 performance measurement – 2014/15 Key performance indicators

### 1. Embed customers at the heart of all we do

Basis	Key performance indicators			2014/15	2013/14	2012/13
MAT	DWI reportable events (category 3, 4, 5)	KPI: 3	▼	31	24	23
MAT	Service Incentive Mechanism Qualitative (SIM) score <sup>1</sup>	KPI: 4	ⓘ ^	4.36	4.48	4.36
ACT	Service Incentive Mechanism Quantitative (SIM) score <sup>2</sup>	KPI: 5	ⓘ ▼	105	143	167
MAT	Water supply interruptions index per property mins <sup>3</sup>	KPI: 6	▼	10	16	29
	Sewerage serviceability (internal) <sup>4</sup>	KPI: 7	ⓘ ▼	54	57	78
	Water serviceability (internal) <sup>4</sup>	KPI: 8	ⓘ ▼	270	202	80
ACT	Security of Supply Index (SOSI) <sup>5</sup>	KPI: 14	^	100	99	99

### 2. Drive operational excellence and continuous innovation

Basis	Key performance indicators			2014/15	2013/14	2012/13
MAT	Pollution incidents (sewerage cat 1, 2, 3) <sup>6,7</sup>	KPI: 12	ⓘ ▼	368	449	376
ACT	Sewerage treatment works – failing consent, limits % <sup>8</sup>	KPI: 13	▼	0.14	0.71	0.85
MAT	Net energy use Gwh %	KPI: 15	▼	634	691	690
MLE	Leakage levels ML/d	KPI: 16	ⓘ ▼	441	441	441
MAT	Waste water treatment performance Severn Trent Services % <sup>9</sup>	STS KPI: 1	▼	7.4	5.6	10.8

### 3. Invest responsibly for sustainable growth

Basis	Key performance indicators			2014/15	2013/14	2012/13
ACT	Capex £m (UK GAAP, net of grants and contributions) <sup>10</sup>	KPI: 9	ⓘ ▼	542.7	583.2	541.8
ACT	Debtor days <sup>11</sup>	KPI: 10	▼	34.7	34.5	36.7
ACT	Opex £m	KPI: 11	ⓘ ▼	588.9	585.3	566.5

### 4. Create an awesome place to work

Basis	Key performance indicators			2014/15	2013/14	2012/13
MAT	Lost time incidents per 100,000 hrs worked <sup>12</sup>	KPI: 1	ⓘ ▼	0.21	0.21	0.21
MAT	Lost time incidents per 100,000 hrs worked <sup>12</sup> Severn Trent Business Services	STS KPI: 2	▼	0.30	0.27	0.30
QR	Employee engagement % <sup>13</sup>	KPI: 2	ⓘ ^	79	81	79
QR	Employee engagement % <sup>14</sup>	STS KPI: 3	^	75	79	77

<b>Key</b> ⓘ Executive director balanced scorecard performance measure see Remuneration Committee report on pages 69 to 85	<b>Black:</b> Regulated business KPI	MAT	Moving Annual Total	ACT	Year End Actual
	<b>Purple:</b> Non-regulated business KPI	QR	Quarterly Review		
	^ ▼ Desired direction of KPI	MLE	Maximum Likelihood Estimate		

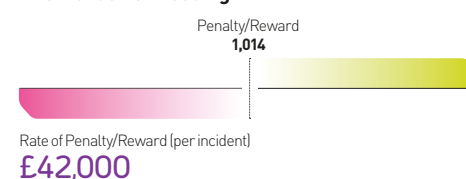
- Notes**
- In 2014/15 Ofwat changed the methodology for this measure. It is not comparable with 2013/14 and 2012/13. On a comparative basis we moved from 13th in 2013/14 to 6th in 2014/15 out of 18 water companies.
  - Actual performance based wholly or partially on internal data.
  - Number of minutes lost due to supply interruptions for three hours or longer per property served.
  - Ofwat serviceability score assesses how effectively we are maintaining our network and assets against a range of measures. Assessed as either improving, stable, marginal or deteriorating.
  - Score represents internal KPI. The measure is out of 100.
  - Total number of pollution incidents (category 1, 2, 3).
  - 2012/13 figures are not comparable. In 2013 the Environment Agency changed its reporting methodology for small incidents. As a result of this reclassification we now report more smaller incidents.
  - Measured on a calendar year basis.
  - Non-compliance with consent permits or formal client requirements during the previous 12 months.
  - Investment excluding PDaS and IFRS adjustments.

- Actual performance based on audited financial statements for the year ended 31 March 2015.
- Actual performance across all employees and agency staff.
- Performance based on annual survey of all employees.
- Performance based on annual survey of all employees, including the Water Purification Business.
- KPI 3 Drinking Water Inspectorate – Reportable Events. This KPI measures the number of significant events reported to the DWI.
- KPI 7 Serviceability waste water. This KPI is an index based on pollutions and blockages (both measures of how our below ground assets are performing) and sewage treatment works non-compliance (above ground). The index reflects a 50:50 weighting for above and below ground assets.
- KPI 8 Serviceability water. This index is based on mains bursts and supply interruptions greater than 12 hours (both are measures of how our below ground assets are performing) and Water Treatment Works (WTW) non-compliance (above ground). The index reflects a 50:50 weighting for above and below ground assets.
- KPI 14 Security of Supply Index (SOSI) is a measure of how resilient we are against periods of drought. The index calculation is based upon the difference between the water available to use and the volume of water we expect to put into our supply network in order to meet demand.

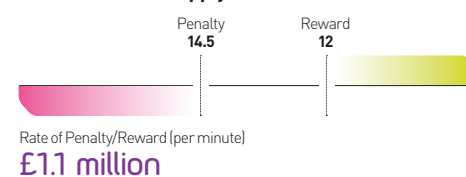
## Future performance measurement – Our Outcome Delivery Incentives (ODIs)

### 1. Embed customers at the heart of all we do<sup>4</sup>

#### Internal sewer flooding



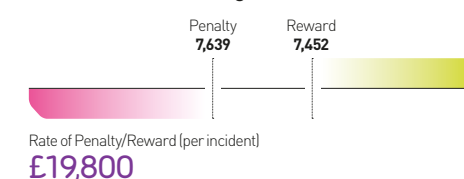
#### Minutes without supply



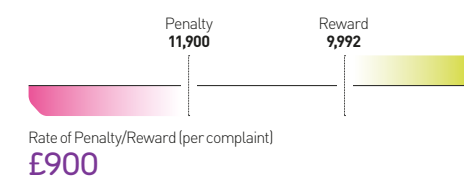
#### SIM – Customer experience

Reward and penalty mechanism to be decided by OFWAT July 2015

#### External sewer flooding

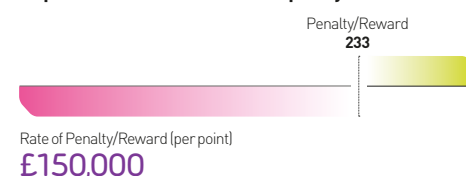


#### Complaints about water quality

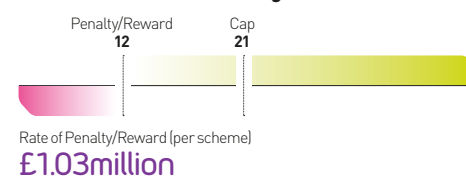


### 2. Drive operational excellence and continuous innovation<sup>4</sup>

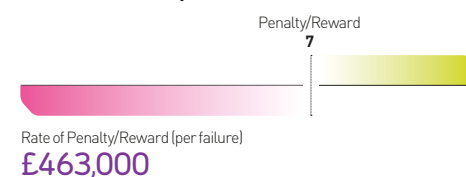
#### Improvements to river water quality<sup>3</sup>



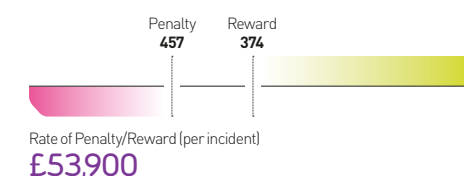
#### Successful catchment management schemes



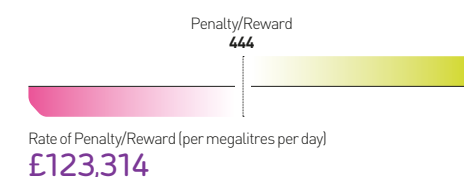
#### Asset Stewardship – Coliform failures



#### Number of pollution incidents



#### Leakage



### 3. Invest responsibly for sustainable growth

Severn Trent Water See note 1      Severn Trent Business Services See note 1

- Notes**
- Illustrative positioning only. Internal KPIs for 2015/16 to be reported.
  - 2014/15 figures for illustrative purposes.
  - Consolidation of two ODIs relating to river water quality.
  - The thresholds stated refer to the application of rewards and/or penalties.

### 4. Create an awesome place to work

**Lost time incidents per 100,000 hrs worked**  
Severn Trent Water 0.21 See note 2 (2013/14 0.21)  
Severn Trent Business Services 0.30 See note 2 (2013/14 0.30)

**Employee engagement**  
Severn Trent Water 79 See note 2 (2013/14 79)  
Severn Trent Business Services 75 See note 2 (2013/14 75)

For full list of all ODIs and the details of each see [www.severntrent.com](http://www.severntrent.com)