

IWNL customer statement – Executive summary

IWNL customers are our priority and, as such, all of our business decisions are driven by our goal of effectively meeting their needs. We are acutely aware that delivery of a high-quality service that our customers value requires an in-depth understanding of their views, preferences and priorities. At present we primarily make use of customer information from our day-to-day interactions to inform our internal decisions, but we aspire to proactively engage our customers in the future to understand their needs and expectations more fully.

In line with this focus, we strive to provide consistent levels of excellent customer service and reliable network operation. We closely monitor our performance in both of these areas to assess the outcomes we are delivering for our customers and identify improvements that may be needed. A key principle underpinning our customer strategy is to provide a service that is at least equal to, and where possible significantly better than, that offered by incumbent water companies; and in 2020-21 we successfully delivered against this.

- **Price:** We used incumbent prices as a proxy for IWNL retail charges and provided additional savings in the form of direct debit, e-billing and volumetric discounts.
- **Vulnerable customers:** We explored and established targeted bill management services as well as payment arrangements to help alleviate water poverty.
- **Customer satisfaction:** Using data from the UKRN we demonstrated industry leading customer service in terms of net promoter score (NPS) and likelihood to recommend. However, our performance on customer complaints fell below the industry average and so we are implementing a targeted improvement programme to address this.
- **Unplanned outages:** Unplanned outages affected only 50 of our 17,000 customers, and none exceeded 24 hours. The average duration of these outages was 97 minutes.
- **Leakage:** Average leakage across IWNL sites was 23.56 litres / property / day, which was significantly lower than the 2019-20 industry average of 112 litres / property / day.
- **Per Capita Consumption (PCC):** The average water volume consumed per customer was 130.4 litres / day; this would have ranked IWNL fourth in the industry in 2019-20.
- **Water quality:** We completed 6.93 water quality sampling visits per 1,000 population in 2019, compared with an industry average of 2.7; this is expected to increase to 7.9 and 9.0 per 1,000 population in 2020 and 2021 respectively. We also demonstrated industry-leading performance on the compliance risk index (CRI) in 2019-20.

Even within the context of these positive IWNL performance indicators for 2020-21, we recognise that there is always more we can do to enhance the customer experience, and therefore we are exploring a range of initiatives to further improve the service we provide.

- **Communication channels:** We offer six customer contact channels and propose to expand these to accommodate our customers preferred means of communication.
- **C-MeX shadow measure:** We are developing a 2021-22 shadow C-MeX measure for IWNL, to facilitate direct comparisons with incumbent customer service performance.
- **Complaint's improvement:** We are implementing bespoke initiatives to address complaints received in 2020-21; targeting 80th centile performance in 2021-22.
- **Vulnerable customers:** We are reviewing the suitability of our categories for, and associated list of, customers in vulnerable circumstances as well as providing further training to better equip our advisors to support these customer groups.
- **Proactive customer information:** We are implementing portals for water quality and incidents, both of which will provide valuable customer information about their service.
- **Reducing water demand:** We are taking an active role in the bulk supply working group to develop incentives that will facilitate improved water efficiency / PCC.

We anticipate that each of these initiatives will further enhance the value and service we provide to our customers in 2021-22 and help to meet their needs increasingly effectively.

IWNL customer statement

As a new entrant water company, it is essential that IWNL places significant value on the effective delivery of a high-quality service to our customers, and seeks to provide accessible, targeted customer services support where this is needed. And, we recognise that providing this high-quality service requires that we have an in-depth understanding of our customers' needs, preferences and priorities.

We note that the traditional utility school of thought operated on the central premise that companies knew what customers wanted; in water this amounted to the delivery of safe, reliable drinking water and the effective disposal of waste. However, the industry has had to evolve significantly in recent years as the regulatory framework, pressure from alternative providers and customer expectations of their water and waste companies, including the customer service they receive, has changed.

Although we are relatively small in scale as compared with incumbent water and waste companies, we are growing and have always recognised the importance of directly engaging our customers to allow their views to inform our strategy and, in turn, provide the excellent levels of service that they expect. To this end, we aim to put both our current and future customers at the heart of the way that our business is run. At present, our efforts are focused on making use of the information that we glean from customers via our day-to-day interactions with them but as we (and our available resources) grow, we intend to initiate further proactive engagement with our customers to attain a comprehensive understanding of their needs and expectations with respect to the service we provide.

A first step in better understanding the needs and expectations of our customers is to develop a clear picture of the population that we serve and identify the characteristics that (a) unify them and (b) lead to differences in their expectations of their water and sewerage company. Within this context, we have structured our customer statement to:

- First, consider the customers we serve and their respective characteristics.
- Second, specify the starting point that we have adopted in terms of principles that will guide our customer service considerations;
- Third, present our strategy to support the development of more active customers; and
- Finally, set out the next steps we will take to further improve our future performance.

1. IWNL customers

While IWNL is not regulated under the formal provisions of Asset Management Plan 7 (AMP7) which became binding on incumbent water and sewerage companies in April 2020, we consider that the PR19 processes, and associated provisions agreed, provide the best indicator of Ofwat's expectations with respect to customer service.

During PR19, Ofwat was explicit that any references to customers should be references to residential and business users of water and wastewater services. IWNL, as a NAV operating in water and wastewater markets, primarily deals with two classes of customer:

- the first is the end customers that we ultimately serve once the development is complete and these customers assume occupancy; and
- the second is the developers to whom we offer to provide services to support the build of new household and non-household sites.

To us, the delivery of services that are aligned with the preferences, and meet the needs, of each of these customer groups is equally critical.

To some extent, we also consider incumbent water and waste companies akin to customers of the services we provide; and expect that this bilateral relationship could evolve further as competition in the water and sewerage market develops in the future.

1.1 Developer services customers

The competition that exists in this market effectively empowers developers by providing them with a choice about the provider that they enter into contract with, for the completion of essential utility infrastructure required as part of any proposed new development. These natural market forces place significant and enhanced incentives on us to deliver high quality services to this customer group given that, if our services fall below their expectations, they may choose not to do business with us in the future. This customer focused delivery culture underpins the continued growth and success of our business.

We have a close relationship with the developers that we serve and maintain an ongoing dialogue regarding their needs, preferences and expectations throughout the design, build and operation of a new site. Our multi-utility offering across water, waste, gas, electricity, heat and fibre means that relationships with these developers are well-established and working practices have evolved over time to facilitate the effective delivery of a high-quality service that meets their needs. Our offering is also available nationally, as opposed to being confined to a specific region; therefore, providing the opportunity for developers to contract with us for a number of projects across the country which gives them certainty about working practices that will be used and the level of service that will be provided.

The main obstacle that can prevent us from providing required water infrastructure within the timescales desired by the developer is where complications arise with respect to the award of a NAV licence for the new site. We seek to mitigate this by progressing the NAV application as soon as feasibly possible and ensuring that all of the necessary supporting information is promptly provided to Ofwat as part of our application. Developers are aware of the constraints that exist in this area, and the implications it has for our ability to meet challenging deadlines associated with smaller sites. We therefore focus on offering utility services for sites that have longer lead times and sufficient scope for us to effectively progress through the licensing process prior to planned customer occupancy.

1.2 End customers

As a new entrant within the water market, we have a genuine interest in providing services to end customers that meet their needs in innovative ways. In this respect, a key IWNL objective is to exceed the equivalent level of customer service that would have been provided by an incumbent water company if they had operated the new network. To this end, we seek to secure enhanced levels of customer satisfaction. We are therefore keen to better understand the needs and preferences of our end customers to enable us to tailor our services and deliver in line with, or exceed, their expectations more effectively.

As a smaller water and waste company, with relatively more limited resources and a smaller, dispersed customer base than incumbent water and sewerage comparators, we have to date had limited opportunities to proactively engage our end customers to better understand their needs and preferences. However, we are acutely aware of the intrinsic value associated with our day-to-day dialogue with end customers and the insights that this alone can provide in terms of allowing us to become better informed of their views; with the aim of more effectively meeting their needs. To this end, we regularly review information attained via our day-to-day engagement with our customers to glean insights with respect to their expectations and areas that we could improve to deliver in line with these more effectively.

We know from speaking to our customers that they are diverse in their characteristics and that these can have a strong influence on their preferences, needs and expectations. Given our commitment to move away from the traditional utility school of thought that assumes we know what our customers want without asking them, a central tenet of our customer strategy will be based around effective segmentation of the IWNL customer population. At present, we are only in the early stages of this work, and therefore do not have clarity on the respective segments that our customer base comprises. However, we have always been cognisant of the challenges faced by customers in vulnerable circumstances and have sought to proactively engage them to better understand the specific services that would enhance their customer experience. We anticipate that our future engagement strategy will place a strong emphasis on the needs of vulnerable customers, alongside a recognition of the specific expectations of other customer groups.

We recognise that the relationship we have with our end customers is in effect a “two-way street” and that, in instances where we provide services that benefit them, there can also be knock-on benefits for us. For example, we universally install semi-automated water meters which provide our customers with assurance that their bills are accurate. From an IWNL perspective, water meters provide insights about customer consumption, which informs our approach to the efficient operation and maintenance of our network assets. As the market evolves further, with the potential roll out of smart meters that enable customers to become increasingly active, we anticipate that arrangements that provide benefits to both us and customers will become more common.

1.3 Incumbent relationship

While not strictly a customer, we recognise the important relationship that we have with incumbent water and sewerage companies. We are effectively a customer of the connection and bulk services that they provide and anticipate that this relationship could evolve in the future, with the potential for IWNL (and other NAVs) to offer a selection of services to these incumbents. In this respect, we can envisage the potential for innovative operating and contractual arrangements to emerge that facilitate the provision of demand side services to the incumbent. For example, water efficiency products that free up scarce water resources and facilitate delivery in line with incumbent performance commitments related to per capita consumption (PCC), or innovative commercial arrangements that facilitate delivery against incumbent leakage targets.

We expect the incumbent-NAV relationship to become more sophisticated in the future as we get a better understanding of how we can most effectively work together to deliver outcomes that are mutually beneficial while also providing value to customers, the environment and society. To this end, we are continually working to refine and enhance the relationship that we have with incumbent water and sewerage companies to optimise existing processes and ensure open flows of communication about our respective needs, both now and into the future.

2. Principles underpinning customer service

As outlined above, although IWNL is not regulated under the formal provisions of AMP7, we consider the supporting PR19 processes and associated principles that underpinned this significant programme of work, to provide the best indicator of Ofwat’s expectations with respect to customer service. To this end, we have revisited the PR19 principles Ofwat defined and the associated guidance it published, which were designed to inform the development of incumbent water and wastewater business plans. Both the principles and associated guidance emphasised the need to deliver against end customer expectations, with the intent of securing a high-quality service and high levels of customer satisfaction.

2.1 PR19 customer service principles

Ofwat defined seven applicable principles at PR19, which largely replicated those developed for the previous price control (PR14). In general, we think these principles are equally applicable to NAV considerations of customer service and customer satisfaction. However, two of the principles included specific reference to the involvement of customers in influencing the price control process and resulting outcomes. Given that IWNL does not follow a similar price control process, we have chosen to remove these principles from our considerations of customer service and customer satisfaction; and added an additional principle to reflect the specific NAV context that we operate within. On this basis, we have agreed the following six principles that will underpin our customer service strategy.

- To provide a service to our customers at least equal to (no worse off), and where appropriate significantly better than those offered by the incumbent water company.
- To deliver the outcomes customers value at a price they are willing to pay.
- To engage our customers to achieve the right outcomes at the right time and price.
- To meet customer needs in both our static plans and day-to-day service delivery.
- To take responsibility for engaging customers and demonstrating that it is done well.
- To acknowledge, and ensure, that engagement reflects individual circumstances.

Within the context of the customers that we serve and the principles we will adopt in serving them, in section 3 we present our proposed action plan which will support our customers in transitioning from passive to active participants.

2.2 Our 2020-21 service performance

We are focused on ensuring we continuously provide excellent service and network performance to our customers. We monitor closely the service levels that we provide to our customers through detailed management reporting, executive reviews and quarterly board meetings.

The following section presents an overview of IWNL customer service performance across a range of areas including price, vulnerable customer service, complaints, telephony response, customer satisfaction, unplanned outages and supply interruptions, guaranteed standards, leakage and per capita consumption.

2.2.1 Price

We annually monitor our prices to our customers ensuring that they provide better value than those of the incumbents. This was achieved in 2020-21 by:

- Continuing to use incumbent price points as a proxy for IWNL 2020-21 retail charges;
- Retaining the household customer Direct Debit discount at £3.50 pa for 2020-21;
- Retaining the household e-billing discount at £1.50 pa for 2020-21;
- Retaining the household 2.5% water volumetric discount for 2020-21; and
- Continuing to use the revised Ofwat GSS compensation payment recommendations.

We have also carried forward these enhanced commitments into 2021-22. We are actively involved in the Ofwat-led bulk supply working groups that will be running throughout 2021. The focus of these working groups, and associated process, is on reviewing the charges that incumbent water and waste companies levy on NAVs for the provision of bulk supply and bulk discharge services. Once the workshops are complete, and the resulting recommendations have been implemented by incumbent water and waste companies, we will take forward a review of our prices to ensure that our customers continue to receive an efficient, high-quality service that represents value for money. We aim to reflect this

within our 2022-23 prices but our ability to achieve this will be dependent on the timely publication of revised charges by incumbent water and waste companies in line with the Ofwat timetable.

2.2.2 Vulnerable and water poor customers

Vulnerability can come in a range of guises, and can be temporary, sporadic or permanent in nature. It is a fluid state that needs a flexible, tailored response from us as a company. Many people in vulnerable situations would not necessarily classify themselves as 'vulnerable', and it is therefore our responsibility to pick up on the signs and act accordingly. A vulnerable customer may be someone:

- Who has a disability (including mental health), or who is chronically ill.
- With a visual or hearing impairment.
- That is undertaking dialysis treatment at the property.
- That is experiencing financial hardship.
- Who is of pensionable age.
- With communication barriers (low literacy / language barriers).
- Who is isolated geographically (this is unlikely given that IWNL networks are typically in new housing developments).

As outlined in Section 1.2 above, we have always been cognisant of the challenges faced by customers in vulnerable circumstances and seek to proactively engage them to better understand the specific services we can offer to enhance their customer experience.

As such, we understand that we have customers who may need some extra help and have developed a range of bill management services they can register for including talking bills (over the phone), braille bills / documents, large print bills / documents, text-direct, translated bills and nominee services. Our current registration process includes a step that enables us to record details of our customers that fall within categories of possible vulnerability and, as appropriate, we take these circumstances into account when considering the products and services that we offer. Customers can also opt to proactively register for these services if their circumstances change in the future.

We recognise the specific challenges that our customers face where they find themselves in situations of water poverty. For many people, these challenges have only increased over the past year due to the impact of Covid-19 and lockdown. Where our customers are experiencing difficulties paying their water bills we ask them to get in touch, on the phone or online, and offer to find ways to support them in the form of possible financial assistance. We offer the following products and services with the intent of alleviating some of the impacts of, and stress associated with, water poverty.

- **Payment plans:** We either send bills to our end customers on a monthly or bi-annual basis; and provide them with the option to choose which is most suitable for their circumstances. While in most cases the full balance of a customer bill will be due by a specified date, if customers inform us that they are struggling to pay their bills, we have the option to consider establishing a payment plan for them. This can help to spread the cost of the bill, including allowing flexible payment periods, such as weekly, fortnightly or monthly. If customers are in arrears, the payment plan will also cover the cost of the arrears as well as their water usage.
- **Watersure scheme:** The regulations underpinning the WaterSure scheme were established via a 1999 statutory instrument and are designed to cap water charges for customers. Where a customer submits a successful application to the WaterSure scheme they will either pay (a) their metered bill based on the amount of water they

have consumed, or (b) an annual charge which reflects the average household bill for water and / or sewerage service in their area; whichever is lowest.

- **WaterDirect:** In cases where our customers receive income support, job seekers allowance, Universal Credit, pension credits, or Income Related Employment and Support Allowance from the Department for Work and Pensions (DWP), it may be possible for them to arrange to make payments directly from their benefits under WaterDirect. This facility only applies if customers are in arrears with their water bill.
- **Incumbent social tariffs:** IWNL currently seeks to match social tariffs offered by local incumbent water companies upon request from a customer.

We continually assess our customer services and look for opportunities to enhance the overall customer experience that we provide. As noted above, many people in vulnerable situations do not necessarily identify themselves as part of this group; and it is therefore our responsibility to pick up on any signs of vulnerability they exhibit and act accordingly. Recognising this, we have begun to roll out tailored training to our customer service advisors, focused on helping them to identify customers in vulnerable circumstances, particularly those that may suffer from a disability. The training provides a brief description of some of the more common conditions that could place customers in a position of vulnerability¹ and, for each condition, presents:

- a summary of the key characteristics of the condition;
- the adaptations or changes that could be made on phone call to support them; and
- any charities that could offer further support or care for these individuals.

The training is complemented by a decision-making matrix which provides guidance to our customer advisors on how to effectively engage different types of customers depending on indicators they display during the phone call with respect to (a) their level of **comfort**, and (b) their level of **understanding**.

2.2.3 Complaints

The Consumer Council for Water (CCW) defines a complaint as any inbound contact from a customer, not eligible to switch retail provider, or customer's representative that expresses or implies dissatisfaction with the charges, service or functions provided by the company. Recognising that the definition reflects a degree of customer dissatisfaction, we work hard to minimise customer complaints as far as possible. Figure 1 below shows the number of complaints, both written and verbal, received by IWNL in the regulatory year to March 2021. It shows that the total number of complaints was 259, with 50 written complaints, and this equates to 33.3 written complaints per 10,000 customers.

Figure 1: Number of complaints in 2020-21 – written and verbal

	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
Customers	13,634	13,721	14,050	14,264	14,465	14,539	14,913	15,231	15,503	15,727	16,248	16,759
Complaints												
	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
Verbal	11	11	14	20	9	12	9	21	15	18	7	12
Written	2	9	5	3	3	2	6	5	6	3	4	2

¹ The conditions that may place people in vulnerable situations which we training our customer service advisors to identify during phone conversations include: Autism, dyslexia, dyspraxia, ADHD, OCD, Tourette's, schizophrenia, depression, bipolar, Alzheimer's, dementia, visual impairment, hearing loss, language issues and bereavement.

We note that our written complaint performance in 2020-21 of 33.3 complaints per 100,000 customers would place IWNL below the industry average performance (using the latest available public information from 2019-20). As a result, we have implemented a complaints improvement programme, including internal targets for improvement; and this is discussed in more detail in Section 4.3.

2.2.4 Telephony response times

We are aware that, in instances where customers need to contact us, they want the process to be straightforward and streamlined. Recognising this, we have established internal targets for the percentage of calls that are (a) answered, and (b) answered within 20 seconds. Figure 2 below presents our performance across both measures during the 2020-21 reporting year. It highlights that we met our target of 97% of calls being answered for the whole of the reporting period and only missed our target of 90% of calls being answered within 20 seconds in three months of the year. In each of these latter cases, we only missed our target of 90% of calls being answered within 20 seconds by 2%.

Figure 2: Performance on telephony response 2020-21

	Apr 20	May 20	Jun 20	Jul 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21
Percentage of calls answered (target >=97%)	99%	99%	99%	98%	98%	97%	98%	99%	98%	99%	100%	99%
Percentage of calls answered in 20 seconds (target >=90%)	97%	96%	93%	88%	88%	90%	90%	88%	90%	94%	98%	99%

2.2.5 Customer satisfaction

A critical measure of our customer service performance is the overall levels of customer satisfaction that we achieve. Clearly there are a variety of ways that we could measure our performance in this area, but we were keen to use a measure that was objective and based on industry-leading thinking.

It is for these reasons that we have chosen to use the UK Regulatory Network (UKRN) report 'Moving forward together' that was published on 14 January 2021 as the basis against which to measure our performance on customer satisfaction. In the absence of full C-MeX benchmarking we have sought to use the information contained in this UKRN publication as a proxy against which to benchmark IWNL performance.

The UKRN report highlights five key areas in which performance can be assessed, including: (1) likelihood to recommend; (2) customer satisfaction; (3) net promoter score (NPS); (4) value for money; and (5) written complaints. Recognising the subjectivity of measures (2) and (4) and given our access to relevant data and methodologies for calculation, we have benchmarked our performance across measures (1), (3) and (5); the results are presented in Figure 3.

Figure 3: Customer satisfaction performance 2020-21

Likelihood to recommend		Net Promoter Score (NPS)		Written complaints	
Company	Score	Company	NPS*	Company	Number
IWNL	75%	IWNL	73	Bournemouth	10.1
Hartlepool	71%	Hartlepool	62	Portsmouth	10.9
Northumbrian	56%	Welsh Water	38	Sutton & East Surrey	11.3
Welsh Water	53%	Hafren Dyfrdwy	37	Wessex	11.8
Wessex	51%	Portsmouth	35	South East	13
Portsmouth	50%	Bournemouth	33	Dwr Cymru	14.6
Yorkshire	50%	United Utilities	33	Affinity Water	15.6
Bournemouth	49%	Wessex	33	South Staffordshire	16.8
Bristol	48%	Bristol	29	Bristol	17.2
South Staffordshire	48%	South Staffordshire	24	Yorkshire	17.6
Severn Trent	45%	Yorkshire	23	United Utilities	18.2
Hafren Dyfrdwy	44%	Northumbrian	22	South West	19
United Utilities	44%	Thames	21	Hartlepool	20.6
Cambridge	41%	Essex & Suffolk	19	Severn Trent	22.5
Essex & Suffolk	41%	Anglian	18	Anglian	24.7
Anglian	40%	Cambridge	17	Cambridge	27.3
Sutton & East Surrey	34%	Sutton & East Surrey	7	Southern	27.8
South East	33%	South East	-1	Northumbrian	31.4
South West	30%	South West	-4	Essex & Suffolk	31.6
Affinity Water	35%	Severn Trent	-6	IWNL	33.3
Southern	29%	Southern	-9	Hafren Dyfrdwy	34.5
Thames	25%	Affinity Water	N/A	Thames	58.3

**NPS figures for all other companies reported in August 2020 while IWNL NPS measured in January 2021*

Based on the information presented in the UKRN January 2021 report, Figure 3 above illustrates that IWNL would have been an industry-leader when assessed against incumbent water and wastewater comparators for the 2020-21 period. However, we did not perform as well based on the measure of written complaints and are therefore seeking to progress work in 2021-22 to improve our performance in this area; this is discussed in Section 4.

2.2.6 Unplanned outages and interruption response times

During PR19 Ofwat defined unplanned outages as “the annualised unavailable flow, based on the peak week production capacity (or PWPC), for each company”². In the PR19 final determinations Ofwat described an unplanned outage as “a temporary loss of supply

² [Final reporting guidance for PR19 – unplanned outages](#)

leading to a risk of customer impact” and clarified that “only outage events which exceed 24 hours in duration are included in this measure”³. In the 2020-21 regulatory reporting year, IWNL reported 20 unplanned outages across the network, affecting 387 customers. To fully understand these figures, it is important to note that the biggest unplanned outage took place on 26 December 2020 and led to 337 customers losing supply. This outage was due to an Anglian burst main which affected an IWNL site. In effect, this means that unplanned outages on the IWNL network in 2020-21 affected only 50 customers (from a population of over 17,000) and none of these unplanned outages exceeded 24 hours.

During PR19 Ofwat described supply interruptions as “the average number of minutes lost per customer...for interruptions that lasted 3 hours or more”⁴. In its final determinations Ofwat further clarified that “supply interruptions are mainly caused by mains bursts” and that “companies have a range of options to improve performance on the duration of supply interruptions”⁵. Our records show that, of the 20 unplanned outages on the IWNL network during the regulatory year 2020-21, the longest interruption was just over 3 hours (at 185 minutes), and the average duration of an unplanned outage was 97 minutes.

Despite our good performance in 2020-21, we know how crucial it is for us to have robust arrangements in place to respond to a potential incident on our network. To this end, in the past year we have initiated discussions with each incumbent water and wastewater company about the potential to contract with them for standby emergency response services which we could call on to support the effective and coordinated management of an incident on one of our networks. Recognising the knowledge of, and familiarity with, the local network area that these incumbent emergency crews have, we anticipate that they would be able to provide a more responsive service to our customers than an equivalent service provided by the independent emergency crews with whom we have traditionally had standby contracts. In addition, the economies of scale that incumbents can take advantage of mean that they can provide these services at a more competitive price. The combination of these impacts would mean that customers would likely receive a service that was both lower cost and higher quality. To date, we have established emergency response contracts with two of the incumbent companies.

In line with Defra regulatory requirements, we have also established and maintain a contract with Water Direct which ensures that, if we do experience an emergency incident, we will be able to ensure that all of our customers have access to at least 10 litres of water per person per day. If required, Water Direct would supply this water to us following an unplanned outage via an individual water tanker, multiple water tanks or bottled water.

We also publish a drought plan each year setting out the response that IWNL would take in the event of a drought and how we would manage our customer’s supply to meet the agreed levels of service, contained in our Water Resources Management Plan (WRMP). Although we do not have our own sources of water resource which means that supply side management is wholly under the control of the incumbent supplying company, we do have a role to play in the event of a drought. In this respect, as outlined in the drought plan, we would seek to fully engage the affected customers and encourage water efficiency, in the form of demand side management, to ease the impact if a drought were to develop. In March 2021 we issued, for consultation, an update to our Drought Plan 2019 in the form of our draft Drought Plan 2021. We have requested responses by 1 August 2021.

³ [PR19 final determinations: Delivering outcomes for customers policy appendix](#)

⁴ [Final reporting guidance for PR19 – Supply Interruptions](#)

⁵ [PR19 final determinations: Delivering outcomes for customers policy appendix](#)

2.2.7 GSS payments for year end 31 March 2021

Customers of water and sewage companies are entitled to guaranteed minimum standards of service (GSS), as laid down by the Government in the Water Supply and Sewerage Services (Customer Service Standards) Regulation 2008. The government and Ofwat updated the recommended payments for the 2019-20 regulatory year and IWNL implemented corresponding revisions to our payments. Figure 4 below outlines IWNL's 2020-21 performance figures and shows any associated penalty payments made.

Figure 4: GSS payments 2020-21

Description of Standard	Number of Failures	Total Compensation paid (£)
Keeping of appointments		
Failure to provide notice in the required form	0	£0
Failure to attend appointment on day specified	16	£675
Failure to attend appointment during the time specified	0	£0
Complaints, account queries, and requests about payment arrangements		
Failure to reply to a complaint or query within 10 working days	0	£0
Failure to reply to a request to change payment arrangements within 5 working days	2	£160
Notice of interruption of supply		
Failure to provide at least 48 hours' notice of an interruption of supply	0	£0
Entitlement to payment or credit where supply not restored as promised		
Failure to restore supply by the time and date specified in the notice	0	£0
Failure to restore supply within 48 hours of a leak or burst	0	£0
Failure to restore supply within 12 hours	0	£0
Pressure standard		
Failure to meet the pressure standard	0	£0
Flooding from sewers – internal flooding of buildings		
Number of internal sewer flooding incidents	0	£0
Flooding from sewers – external flooding		
Number of external sewer flooding incidents	0	£0
Timing of payments		
Penalty payments made	0	£0

2.2.9 Leakage

Some degree of leakage from the distribution network is unavoidable. It may occur from storage facilities, transmission mains and distribution mains or from service connections to the customer meter. Leakage is normally the largest component of losses from a water supply system, but it is not the only component. Illegal connections may constitute real losses while meter inaccuracies may give rise to 'apparent' losses. Combined with leakage, these 'real' and 'apparent' losses make up 'unaccounted-for water' (UFW). IWNL has agreed UFW target rates of 5% of distribution input.

We have calculated leakage per property using figures from sites for which we can attain sufficiently accurate data. These calculations demonstrate that, across IWNL sites, the average leakage is 23.56 litres / property / day. This compares with the industry average value reported by Discover Water for 2019-20 of 112 litres / property / day). The IWNL leakage number equates to 6.76% of the total volume of water entering the network. Care needs to be taken when comparing these numbers with incumbent network losses as these also include production and high-level distribution losses which are not present in a NAV network.

We are currently in the process of installing data loggers on all incumbent bulk meters which will allow us to monitor water usage and trends on site in real time, as well as enabling us to more quickly respond to unaccounted for losses. We will be monitoring the night-time flow on each of our sites to calculate a distribution loss figure.

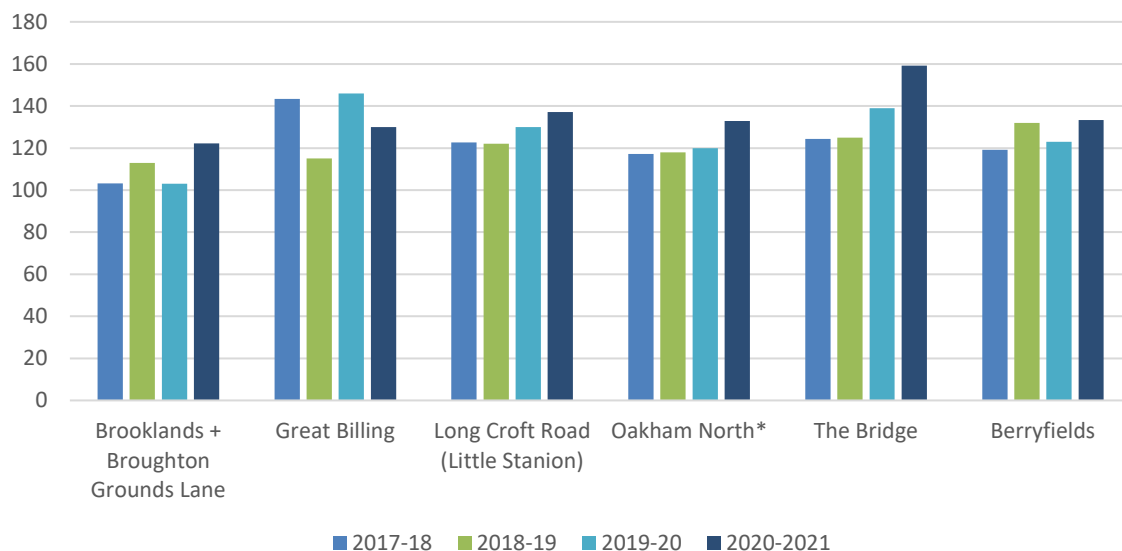
2.2.10 Per Capita Consumption (PCC)

An increasing population means extra demand for water and, combined with increasingly erratic weather patterns, this could lead to more droughts in the future. It is therefore more important than ever for every to take care with their water use. The volume of water consumed per customer is a key output measure for the water industry. Per Capita Consumption is the industry standard calculation of annual water consumption per person.

The 2020-21 IWNL weighted average is 130.4 litres / person / day). This compares favourably with the industry average of 142 litres / person / day in 2019-20 (the last comparable year available). When looking at the individual performance of incumbent companies in 2019-20, IWNL would rank fourth behind South-West Water (129), South Staffordshire Water (128) and Southern Water (127) and performed considerably better than the industry worst performing company (Welsh Water (160)). In 2020-21 PCC is higher than expected for some sites, e.g. Great Billing; we suspect this is due to Covid-19 which impacted water usage in domestic settings and thereby increased the PCC.

IWNL currently advise all customers of their water consumption on their bills and distribute a waterwise message to customers via a summer and winter newsletter.

Figure 5: Graph illustrating the average per capita consumption (litres / person / day) by WRZ, using data from 2017-18, 2018-19, 2019-20 and 2020-21



Additionally, we are contacting customers who reported internal leaks to see if they have been resolved and plan to target Great Billing with waterwise messages given their relatively high levels of PCC. We anticipate that these measures will contribute to a reduction of consumption. We will also continue to monitor PCC across all our sites. Figure 5 above displays the average yearly PCC by WRZ for sites where 70% or more of the development is complete.

IWNL promote water efficiency to our customers and are aiming to reduce PCC from the current levels to below the new Government standard of 125 litres / person / day for new homes. IWNL is also considering environmental solutions and water recycling strategies to meet the specific water demand requirements for each inset licence appointment.

2.2.11 Water Quality

IWNL takes its obligations to maintain safe and high-quality water drinking as its most important regulatory obligation. To do this IWNL completes proportionately more water quality sampling visits than incumbents. The average number of sampling visits per 1,000 population across the industry was 2.7 in 2019; this compares with an equivalent figure of 6.93 sampling visits per 1,000 population for IWNL in 2019. The Drinking Water Inspectorate (DWI) has yet to release industry average figures for 2020 and 2021 but our internal data shows that the number of water quality sampling visits we were required to complete increased in both years; to 7.9 and 9.0 visits per 1,000 population in 2020 and 2021 respectively.

The water quality regulations were initially drafted based on the assumption that network operators would control large geographic zones. As a result of this legislative construct, NAVs are required to carry out proportionately more sampling than incumbent water and waste companies. In this respect, the legislation places requirements on the number of water quality sampling visits that must be completed per year and this varies according to the size of the population within the relevant water quality zone. This is as a result of, given their scale, incumbents being able to absorb new development sites within their existing sampling arrangements. In effect, this means that IWNL carries out a proportionately higher number of sampling visits per year than incumbents.

The CRI is a measure designed to illustrate the risk arising from treated water compliance failures, aligned to the risk-based approach that the DWI takes to the regulation of water supplies. It is based on broad principles related to the significance of the parameter, the cause / investigation / mitigation of the failure, and the location of the failure⁶. Figure 6 below illustrates CRI performance by companies across the industry in 2019.

⁶ [DWI Compliance Risk Index \(CRI\), August 2018](#)

Figure 6: Company CRI and Industry CRI 2019 for England

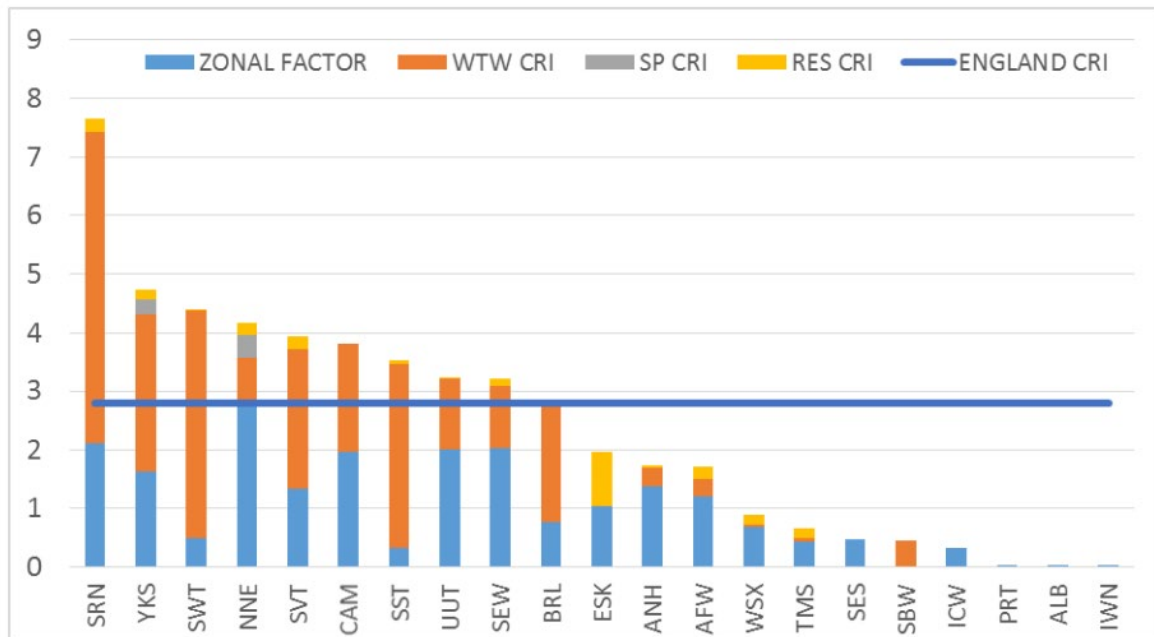


Figure 6 above demonstrates the positive performance of IWNL in 2019 as compared with the comparator companies operating in England. The worst performer in the industry was Southern Water, receiving a score of 7.66⁷, while the industry average performance, across both incumbents and NAVs was 2.80 in England and 2.85 across England and Wales. This compared with an IWNL performance score of less than 0.1.

3. Transitioning from passive customer to active participant in PR19

The document “Tapped in: From passive customer to active participant” was published by Ofwat as part of PR19 and provides valuable guidance in terms of the themes that water and waste companies should consider when developing any programme of customer engagement that has, as its aim, the delivery of high-quality customer service.

The key themes presented in Ofwat’s guidance can be summarised as follows.

- **Customer participation in the sector’s future:** Engaging customers to create a shared future for water will improve customer support, satisfaction and trust which may in turn facilitate support from politicians, the regulator, and the media. It may also lead to new ideas that help the sector progress.
- **Increasing customer action to improve resilience:** Encouraging behaviour change among customers can help water companies achieve their goals. Behaviour change involves transforming what customers think, feel, believe and do e.g. helping customers save water. Active participation at scale can have real impacts.
- **Increasing community ownership and participation:** Where people genuinely commit to act together in their local areas, e.g. by saving water or improving rivers and bathing waters, this can improve the local water environment.
- **Customer participation in their experience:** Companies can provide customers with more control over water use at home and their customer service experiences e.g. via rainwater harvesting, choosing different water quality for different uses, and providing

⁷ [Compliance Risk Index and Events Risk Index figures, July 2020](#)

more options to engage e.g. phone, text, email, tweet, live chat. These customer experiences should be seen from the perspective of different customer segments.

The following section of this customer statement details the action plan we propose to implement to ensure effective delivery in line with each of the themes above.

3.1. Our strategy to empower IWNL customers to become more active

During PR19 a number of incumbent water and waste companies implemented high quality customer engagement strategies and these examples provide valuable insights on emerging industry best practice. Therefore, in defining and implementing a future IWNL strategy for customer engagement, customer service and customer satisfaction, we have drawn on lessons learned in this area from PR19. In this respect, we have identified the following key guiding principles that will inform our future work in this area.

- 1. Our plans will be driven by customer priorities:** We will respond to customer insights regarding the outcomes that matter most to them by setting ambitious, yet realistic, targets in these areas and seeking to proactively deliver in line with them. We will maintain a 'living' strategic direction statement (SDS) that encompasses our evolving knowledge of customer views, needs, and preferences to ensure that key insights guide both our day-to-day activities and the development of strategic plans. As part of the continued process of acknowledging customer views and seeking to accommodate these in our business activities, we will strive to achieve an ongoing, effective two-way dialogue.
- 2. We will actively listen, and respond, to customer views:** We will continue to make use of the valuable insights provided by our customers in our day-to-day interactions with them and, as our business grows, will seek to engage them more proactively. Demonstrating that we have actively listened to our customers views and explaining **how** we have factored these into our future plans will be a key guiding ethos. In the event that we do not take corresponding action in line with their views, we will commit to providing clear, unequivocal reasons as to **why** we have not responded in the way they would like. Where relevant, we will also seek to identify alternative approaches that may deliver the same / similar outcomes.
- 3. We will innovate and adopt best practice:** We recognise that the field of customer engagement has evolved substantially in recent years and expect that it will continue to do so. Within this context, we understand the importance of learning lessons from others regarding the application of innovative techniques and approaches that may emerge as leading best practice. As such, we will seek to keep abreast of developments within the discipline of customer engagement; both from within the water industry and from outside it. However, we also acknowledge the potential value that can be attained where we adopt approaches to engagement that are lesser understood and arguably riskier, and therefore we will seek to remain openminded in considering the role of new techniques.
- 4. We will seek feedback on how we are doing:** We are acutely aware that, despite the best of intentions, our strategy for effectively engaging our customers may not perform as planned or illicit responses that are aligned with our expectations. Given this, we are keen that the two-way dialogue we establish with our customers extends to discussions regarding the engagement strategy itself and how it is performing. We note that the customers we are seeking to engage are likely to have valuable insights on whether the engagement strategy is working as it should; whether we are focusing on the key issues, asking the right questions, and using the most effective techniques. This will allow us to continue to review, revisit, and refine our approach, with the intent of ultimately establishing a programme of engagement that represents best practice.

These four principles provide an overarching framework in which we will progress our future programme of customer engagement and, it is within this context that, we have begun to develop our customer engagement strategy. We have assessed our approach from a number of perspectives and identified the various components that we believe it should comprise. The following sections present the discrete elements of the strategy that we are intending to implement in the coming years.

- First, it provides an overview of our proposed proactive customer engagement;
- Second, it presents our plans to enhance overall levels of customer awareness;
- Third, it highlights how we intend to expand our product and service offerings;
- Fourth, it describes our proposals to facilitate customer behaviour change; and
- Finally, it explains how we intend to shift the focus of the developer agenda.

3.1.1. Proactive customer engagement

Alongside the regular review of customer information attained via day-to-day engagement (discussed in section 1.2 above), we propose to initiate a programme of proactive customer engagement to facilitate the co-creation of future products and services with our key stakeholders; our customers. We are aware of the wealth of data available from the PR19 process regarding evolving best practice in customer engagement as well as lessons learned; and have sought to take these into account in developing a forward-looking customer engagement strategy. We have yet to finalise the specific engagement activities that we will undertake but we expect these to comprise a mix of face-to-face workshops and focus groups, online surveys and a customer panel made up of key customer representatives.

A particular lesson that we intend to consider in implementing a proactive customer engagement strategy is the importance of segmenting our customer base to attain insights regarding the needs of the discrete customer groups that we serve. This will help to facilitate the delivery of customer services that meet their expectations. We note that it is especially critical for us to consider the specific circumstances of customers that find themselves in vulnerable situations and are keen to prioritise work in this area.

Aside from proactive customer engagement to better understand their views, needs and preferences with respect to our future focus and service offerings, we recognise that there is also value in the proactive provision of transparent customer information regarding their day-to-day water and wastewater services. To this end, we have been developing and are in various stages of implementing the following initiatives.

- The IWNL 'Protecting you and our environment' portal that allows customers to better understand their water quality / hardness and the drought level in their area; and
- An incident portal that provides 'live' progress updates to our customers.

These are discussed in more detail in Section 4: Next Steps.

3.1.2. Enhancing customer awareness

We recognise the difficulties, and impracticalities, of seeking to proactively engage all of our customers particularly as our customer base increases; even with unlimited resources to better understand their needs, views and preferences, some individuals may still be unwilling to engage on water and waste issues or may simply be disinterested. Despite this, we suspect that where customers have a better understanding of water and wastewater issues, they will be more likely to actively consider changes in their behaviour and the potential to engage with relevant products and services.

It is within this context that we propose to initiate a series of campaigns with the objective of increasing customer awareness, understanding and appreciation of key water and wastewater issues. The specific topics to be covered by these campaigns will be informed by the insights we attain from the proactive engagement discussed in section 3.1.1 above. We have not yet defined the mechanics of the campaigns, but we anticipate that they will involve targeted customer communications via the IWNL website, customer bills, and any pre-contractual information provided to customers via developers.

3.1.3. Expanding IWNL product and service offerings

A key theme of our proposed proactive customer engagement will be to better understand customer views on alternative products and services that IWNL could offer. Where possible, we would like to pose open questions about offerings that customers may be interested in entering into contract with us for. We would complement these with some closed question to understand customer appetite for particular products and services e.g. levels of interest in grey water systems and the possible take-up of social tariffs.

In addition to levels of interest in customer products and services, we would be keen to understand the priority that customers attach to IWNL engagement in further water and wastewater projects. In this respect, we could facilitate local environmental enhancements e.g. via investment in additional sustainable urban drainage solutions (SUDS) that could improve the aesthetics of a new development as well as contributing to enhanced biodiversity in the area. Our proactive engagement will therefore seek to explore customer appetites for, and the associated priority attached to, these types of initiatives.

3.1.4. Facilitating customer behaviour change

As outlined in earlier in this section, the PR19 'Tapped In' report suggested that, where people commit to act together in their local areas e.g. by saving water or improving rivers, this can improve the local water environment. As part of our proposed proactive engagement, we therefore intend to explore the willingness of our customers to partake in schemes that could help to improve the local and / or national water environment. This could include water efficiency programmes, rainwater harvesting schemes or local initiatives to enhance waterways. The level of customer interest in these types of arrangements and associated offerings would help to shape the specific products and services that we offer to our customers in the future.

3.1.5. Shifting the focus of the developer agenda

As outlined above in Section 1.1 we work closely with our developer services customers and have established good relationships with them. Recognising this, we do not intend to progress any specific initiatives to enhance this aspect of our engagement. However, we think there could be value in instigating a shift in the current agenda; from a focus on the provision of an established suite of products and services, to arrangements that facilitate ongoing dialogue about the views of both developers and their customers regarding the products and services that would best meet their needs and preferences. This could, for example, allow for more frequent and open discussions about levels of interest in, and suitability of, grey water systems, including the extent to which they could contribute to housing sales.

4. Next steps

In the preceding section, we presented our overarching strategy, focused on empowering IWNL customers by putting in place the mechanisms that will enable them to participate in discussions regarding their water supply more proactively. The ultimate intent of this

strategy is to allow our customers to directly influence the decisions that we take about the products and services that we offer to developers and to our end customers. The strategy provides an overarching framework within which we are progressing a series of more tactical initiatives that will support the delivery of desired outcomes.

The following section presents an overview of the more tactical 'next steps' that we are currently progressing as well as some of the initiatives that we have begun to implement in the 2021-22 regulatory year.

- First, it presents our plans to expand IWNL customer communication channels;
- Second, it explains the proposed IWNL C-Mex shadow measure of performance;
- Third, it provides an overview of our complaint's improvement programme;
- Fourth, it presents our proposed approach toward enhancing the experience of our vulnerable and water poor customers;
- Fifth, it details our proactive approach to providing customer information; and
- Finally, it describes the work we are doing to facilitate reduced water demand.

4.1. Expanding IWNL communication channels

Since the turn of the century, significant technological progress has led to a proliferation of communication methods. While in the 1990s there were two key means of contacting a company (via a phone call or a written letter), there are now numerous ways customers can contact their suppliers. At present, we offer six customer contact channels; phone, post, in person, SMS, webforms and livechat. We are currently investigating the potential to expand these channels and are assessing the suitability of respective available options.

As a first step in informing our decision regarding appropriate customer communication channels we have been exploring the demographics of our customer base, recognising that different customer types typically have different preferences when it comes to communication. We are also intending to explore the specific views of our customers regarding the role and effectiveness of these channels in supporting high-quality customer service provision as part of our proactive customer engagement. The combination of these activities will allow us to prioritise the implementation of each communication channel e.g. email / social media according to the anticipated value that it will deliver to our customer base in terms of improving their overall customer experience.

We have also recently completed an upgrade to the IWNL website to make it easier to access key information and hence more user-friendly for our customers. In addition, we are in the process of transitioning to our new customer platform, hosted by content guru. This is an industry-leading application that will offer IWNL the option of adopting various add-ons that provide enhanced functionality and the potential to enhance the overall customer experience. Once the transition to content guru is complete (currently anticipated to take place in Quarter 2 of the 2021-22 regulatory year), we will assess the potential for, and associated value of, adding additional functionality to the platform.

4.2. Development of the C-Mex shadow measure of IWNL performance.

IWNL already has a broad range of measures in place to assess our customer service performance and customer satisfaction with the service we provide. We are proud that in 2019-20 (the last year of publicly available information) IWNL would have achieved the second-highest likelihood to recommend score (66%) as compared with incumbent water company performance and the highest NPS score (66%). Further, we believe that we will be able to implement a comparable IWNL shadow C-mex customer measure for the 2021-22 regulatory year, which will enable more direct comparisons to be made to incumbent

customer service performance. Once fully implemented we will consider whether to implement a more formal C-mex measure that aligns fully with the incumbent incentive.

4.3. Complaint's improvement programme

We note that, although not a direct component of a company's performance under the C-MeX incentive, good performance in managing customer complaints remains a gate entry requirement to any potential incentive outperformance in C-MeX. We recognise that our written complaint performance in 2020-21, of 33.3 complaints per 100,000 customers, would place IWNL below the industry average performance (using the latest available public information from 2019-20). As a result of this, we have completed analysis of the types of complaints raised and implemented an improvement programme to address these issues. Improvements include system enhancements, further customer service training and improved business processes. We have set a target for IWNL to achieve 11.7 complaints per 100,000 customers in 2021-22 which our forecasts suggest will be aligned with 80 percentile incumbent company performance; and will review this target when incumbent performance data for 2020-21 becomes available.

4.4. Vulnerable and water poor customers.

Given the importance of delivering a service that effectively meets the needs of our vulnerable and water poor customers, we are taking forward a number of initiatives in 2021-22 to enhance our performance in this area. This includes:

- Reviewing our internal vulnerable customer categories, refining these to ensure they accurately reflect the range of vulnerable customers we serve, and assessing whether there are any further products or services that these customers would benefit from;
- Reviewing our current list of vulnerable customers to ensure that it is accurate and up-to-date; and
- Providing further training to our customer service advisors to better equip them to recognise, and subsequently support, IWNL customers in vulnerable circumstances.

Currently IWNL seeks to match incumbent company social tariffs if requested by a customer. While we recognise that there is more we can do for our vulnerable and water poor customers, we note that restrictions in the current NAV framework make it difficult for NAVs to offer a comprehensive country wide policy. We are committed to work with other NAVs and Ofwat during 2021 to investigate the opportunities to implement a more comprehensive social support programme that remains compliant with our wider regulatory obligations and enables a fair recovery of costs.

4.5. Proactive provision of customer information

We recognise that there is value in the proactive provision of transparent customer information regarding day-to-day water and wastewater services. To this end, we have been developing and are in various stages of implementing the following initiatives.

- The IWNL 'Protecting you and our environment' portal that allows customers to better understand their water quality / hardness and the drought level in their area; and
- An incident portal that provides 'live' progress updates to our customers.

The following sections provide an overview of each of these initiatives, including the rationale, status, and timings.

4.5.1. The IWNL 'Protecting you and our environment' portal

We understand that our customers are interested in the quality of the water we supply, including the level of water hardness, as well as any constraints that we may impose with respect to the volumes of supply they may consume. These factors could have a material impact on their everyday lives and, in this respect, customers want to know:

- the composition of the water we supply to assure themselves it is safe to drink;
- the relative hardness of the water we supply to assess whether there may be value in purchasing a water softener to reduce limescale build-up; and
- whether there are likely to be any restrictions on their water supply that would impact their ability to water their garden, wash their car, or fill their pool.

As a result, in June 2021, we launched the IWNL 'Protecting you and our environment' portal which allows our customers to use their postcodes to identify their water quality and water hardness, as well as the drought level in their area. We have sought to make the content as informative and user-friendly as possible; and a screenshot of the portal is presented in Figure 7 below.

Figure 7: Snapshot of the IWNL 'Protecting you and our environment' portal

The screenshot displays three main sections of the portal:

- Water Quality in Your Area:** A section titled "Water Quality in Your Area" with a sub-heading "Water Hardness". It states that the drinking water supply is classified as "Hard". Below this is a table with columns for Description, mg CaCO3/l, mg Ca/l, French Degrees, German Degrees, and English Degrees. The "Hard" category shows ranges of 200-300 mg CaCO3/l, 80-120 mg Ca/l, and 80-120 degrees for all three scales. A paragraph below the table explains that water hardness varies across the supply area and that there is no known health risk associated with hard water.
- Drought Restrictions in Your Area:** A section titled "Drought Restrictions in Your Area" showing the current drought restriction level as "1 - Normal". It features a horizontal bar with five stages: 1 (No Restrictions), 2 (Before Restrictions), 3 (Hosepipe Restrictions), 4 (Drought Order Restrictions), and 5 (Lifting Restrictions). Below the bar, two columns provide details for the current stage (1) and the next stage (2). Stage 1 allows for ordinary water efficiency and leak-reduction activities. Stage 2 allows for normal water use but suggests looking at water-saving tips.
- Need a local approved plumber?:** A section with a heading "Need a local approved plumber?" and a button labeled "Find an approved Plumber in your area".

Description	mg CaCO3/l	mg Ca/l	French Degrees	German Degrees	English Degrees
Hard	200 - 300	80 - 120	80 - 120	80 - 120	80 - 120

What happens during this phase?
We continue carrying out our ordinary water-efficiency and leak-reduction activities.

What are you restricted from doing?
You can use water as normal. For water-saving ideas, take a look at our top water-saving tips.

4.5.2. An incident portal providing 'live' incident updates

We are currently developing an incident portal for our customers which will allow them to access information regarding any ongoing incidents on the network that may affect their water supply, including the location of the incident and the estimated time until resolution. The portal will include the ability for customers to sign up for text alerts which will ensure they have access to the most up-to-date information as the incident progresses and is resolved. This application mirrors similar portals provided by incumbent water companies and will help to ensure that we provide a service to our customers that is as good as, if not better than, the service they would have received from the incumbent. We currently anticipate that the application will be launched in Quarter 2 of the 2021-22 regulatory year.

4.6. Reducing water demand

We are committed to supporting any initiatives that facilitate sustainability and deliver enhanced environmental outcomes. To this end, we are currently taking an active role in working with NAVs and incumbent water companies, via the bulk supply working group, to identify the appropriate form of incentive arrangements that could be incorporated within NAV tariff structures to facilitate improved water efficiency and reduced per capita consumption (PCC). At present, the incentives on NAVs to reduce water consumption or improve water efficiency and / or leakage are relatively low as we receive a limited share of the benefits that accrue to incumbents from these efforts. However, NAVs are increasingly providing water and wastewater networks for new housing sites, and we anticipate that the role of NAVs in this regard will only grow further. We believe NAVs are well placed to offer innovative and sustainable solutions, and are therefore hopeful that the conclusions of the bulk supply working groups will effectively recognise the role of NAVs and developers in facilitating improvements in these measures on behalf of incumbents.

Linked to this, we are currently working with developers to explore the potential for them to install more water efficient fixtures and fittings as part of the homes they construct. However, we recognise the potential for these more efficient products to be removed or replaced by the end customer following renovations or change of tenancy. We are therefore keen to extend these conversations and explore the more fundamental questions that exist around whether there are changes that can be made to the internal pipework and plumbing that is installed beyond the communication pipe that we lay, to further improve the baseline level of water efficiency in these new homes.

In addition, as outlined above in section 3.1.5 we think there could be value in facilitating a shift in the current developer agenda; towards arrangements that support an ongoing dialogue with their customers regarding the products and services that would best meet their needs. Some of the key areas that developers could explore include a potential role for them in progressing water initiatives as an integral element of the new developments that they construct. In this respect, as part of the planning process they could assess the scope to incorporate facilities that would have the effect of enhancing local waterways or improving biodiversity. This will not only deliver benefits to local communities, but also help to facilitate success in effectively navigating the planning process. We think there could be a role for us in facilitating effective dialogue in this area.