

# Information notice

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## Publication of service incentive mechanism (SIM) statistics for 2011-13

This information notice confirms the average service incentive mechanism (SIM) scores for each of the monopoly water and sewerage and water only companies in England and Wales.

This is part of our process for setting the price and service package (the 'price controls') that each of the companies must deliver in each of the five years between 2015 and 2020. We will do this during 2014-15.

### Introduction

We introduced the SIM as part of companies' price controls for 2010-15. It is a tool to encourage companies to reduce customer complaints and get things right first time.

Each company's customer service performance is assessed each year. This includes measuring:

- the number of complaints they receive; and
- how satisfied customers are with how their contacts are handled.

Each company is given a score out of 100 (their 'SIM score') depending on how well they do. The companies publish their SIM score each year alongside other [information about their performance](#).

In '[Setting price controls for 2015-20 – final methodology and expectations for companies' business plans](#)' (our 'methodology statement'), which we published in July 2013, we explained that we will adjust the companies' price controls for 2015-20 based on each company's SIM performance. We will use their SIM score during the three years 2011-12 to 2013-14 to decide whether they should receive a reward or penalty. The reward or penalty they receive will be in the range of +0.5% to -1.0% of a company's regulated turnover.

As part of our process for setting price controls, we said that we would publish each company's average SIM score for the two years 2011-12 and 2012-13. We are doing this to provide the companies with enough

information to factor this into their business plan for 2015-20, which they will send to us in December.

### Companies' average SIM scores for 2011-13

The table below sets out the two-year average data and statistics. The companies will be able to use this alongside our methodology statement to draw their own conclusions about their relative performance and likely rewards or penalties.

The SIM score for each company is based on data that it provided to us with assurance from its Board. If a company's score changed in the future, this would affect the industry average score (including rewards and penalties) and the standard deviations from that average. In that case we would update and reissue this information notice.

This is a formal document that alerts our stakeholders to a change in the way that we regulate the water and sewerage sectors in England and Wales.

Company	Two-year average SIM score	Comparison to industry average
South Staffs Cambridge	86	More than one standard deviation above the industry average
Sembcorp Bournemouth	86	
Bristol	85	
Wessex	85	
Anglian	82	Between the industry average and one standard deviation above
Dŵr Cymru	81	
Affinity	79	
Northumbrian	79	
Sutton and East Surrey	79	
Yorkshire	77	
<b>Industry average</b>	<b>76</b>	<b>(standard deviation = 8)</b>
Severn Trent	74	Between the industry average and one standard deviation below
Dee Valley	73	
United Utilities	73	
South West	69	
Portsmouth	66	More than one standard deviation below the industry average
South East	64	
Southern	64	
Thames	63	

### Next steps

In August 2014 we will publish the full three years of SIM data (for 2011-14) and the rewards and penalties that each company will receive. This will be part of our draft decisions ('draft determinations') on each company's price controls. This will allow each company to make representations to us before we make our final determinations.

We intend to consult separately on the SIM we will use during 2015-20 in October 2013.

### Enquiries

For further information, please contact Giles Stevens (our Portfolio Director) on 0121 644 7521 or by email at [price.review@ofwat.gsi.gov.uk](mailto:price.review@ofwat.gsi.gov.uk).

## More information

'Setting price controls for 2015-20 – final methodology and expectations for companies' business plans', July 2013

'The service incentive mechanism (SIM): An Ofwat briefing sheet', November 2012

[How do companies perform?](#) webpages

[Price review](#) webpages

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October 2013

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**Ofwat (The Water Services Regulation Authority) is a non-ministerial government department. We are responsible for making sure that the water and sewerage sectors in England and Wales provide consumers with a good quality and efficient service at a fair price.**

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