

Appendix 1 – evidence of Board engagement on developer services and business retail markets. These are excerpts from the monthly Board pack.

27 June 2019

Developer services are rightly recognised as a category of customer and [...] explained that we are not yet hitting the level of performance that we want to achieve. [...] noted that a key priority in short term is to address the issues impacting the DMEX score and explained that that we are looking to improve consistency in our approach to developer services across both regions and that we have made changes in structure of team and are currently reviewing existing processes.

Given the unacceptable developer services performance reported in the month further urgent remedial steps are being taken. To a large degree these relate to the replacement of manual processes which are being exposed as vulnerable to human error, absence and over-reliance on domain expertise.

Availability was the primary cause of shortcomings due to sickness and vacancies within our teams. Recruitment is ongoing and appointments into vacant positions was completed during the early part of June.

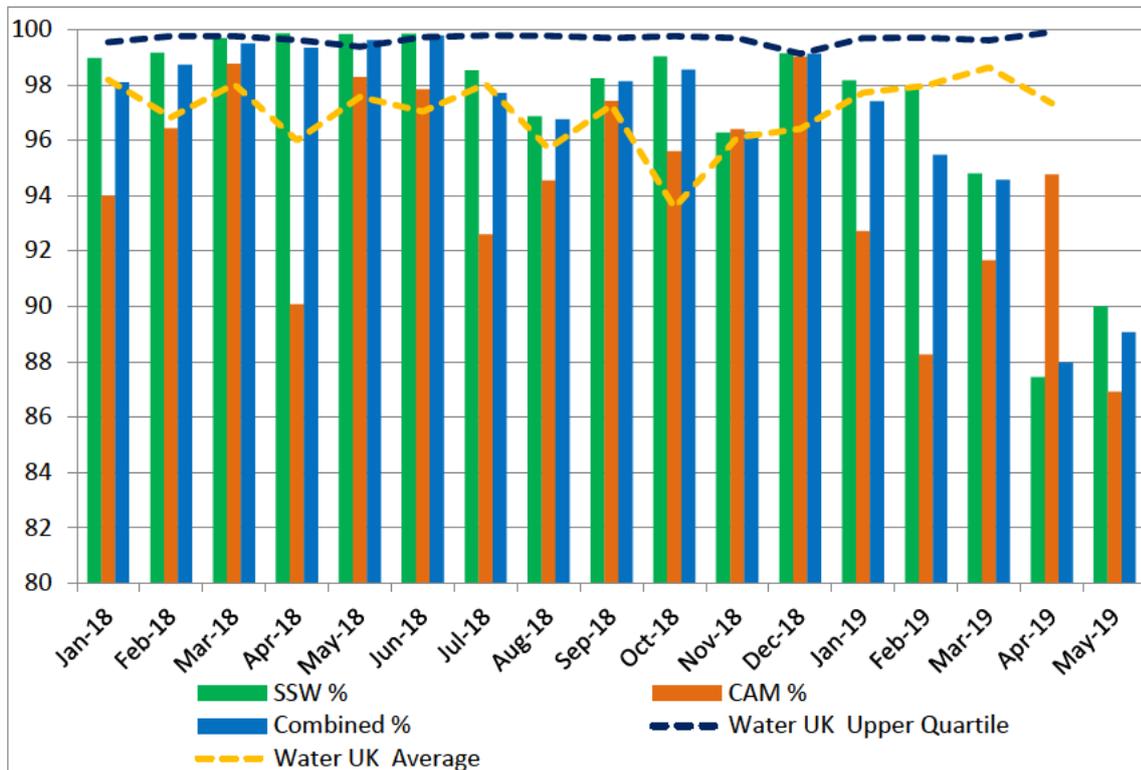
The processes operated currently are very manual and reliant upon the knowledge of individuals; a full review of these processes has been completed which has identified significant opportunities to streamline and automate.

A project to embed the automation within the existing Maximo application (ahead of the planned system upgrade) is currently being scoped. This would significantly reduce the reliance on human resource, enhance the customer experience and improve performance against published SLA's.

The first shadow D-Mex submission was made on 24 May; this will now be repeated on a monthly basis. This is currently a very manual process and provides further justification to support an early migration to the existing version of Maximo.

[REDACTED]

Formal engagement has taken place with Huawei Manufacturing who are potentially looking to develop a headquarters and manufacturing facility at Sawston. They estimate a consumption of [REDACTED] which would place a significant demand on our network. It has been confirmed that the demand could potentially be met but that further profile data is required.



Ofwat Letter to Wholesalers on Effective Markets

On May 28 Ofwat issued a public letter to all wholesalers reminding us of our obligations to support the effective developments of markets in the sector and expressing frustration around a lack of support in the area of developer services and NHH retail shown by some. We are required to respond to this letter by end of October setting our progress.

26 September 2019

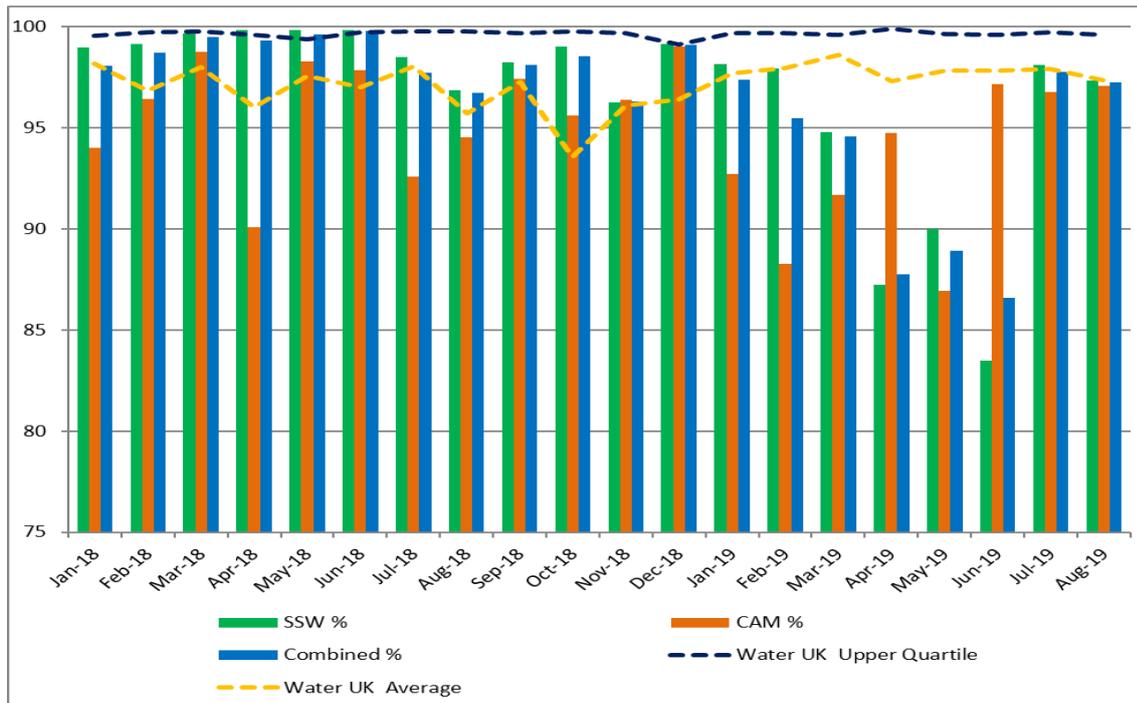
There appears to be increasing interest from Ofwat in the effectiveness of the NHH retail market and the developer services market (including NAVs). We have also received correspondence from [...] challenging the level of friction within the NHH and NAV/self-lay markets. We are currently assessing the implications of these and the actions we may take in response.

Overall, SLA performance was 97.27% in CAM & 97.33% in SST.

The CAM admin back log in a number of areas has been cleared with further investigations on outstanding work ongoing.

D-Mex wave 1, 2 & 3 results have been received. Our overall satisfaction scores came out at 7.09, 5.86 & 7.103. Information related to ranking has not been available.

There was a request from a [...] from Fair Water Connections (FWC) requesting permission for his SLP members to fit meters on projects they were undertaking. We have agreed to a three month trial. It is envisaged that at the end of the three months, if successful, all SLPs will be invited to undertake this task.

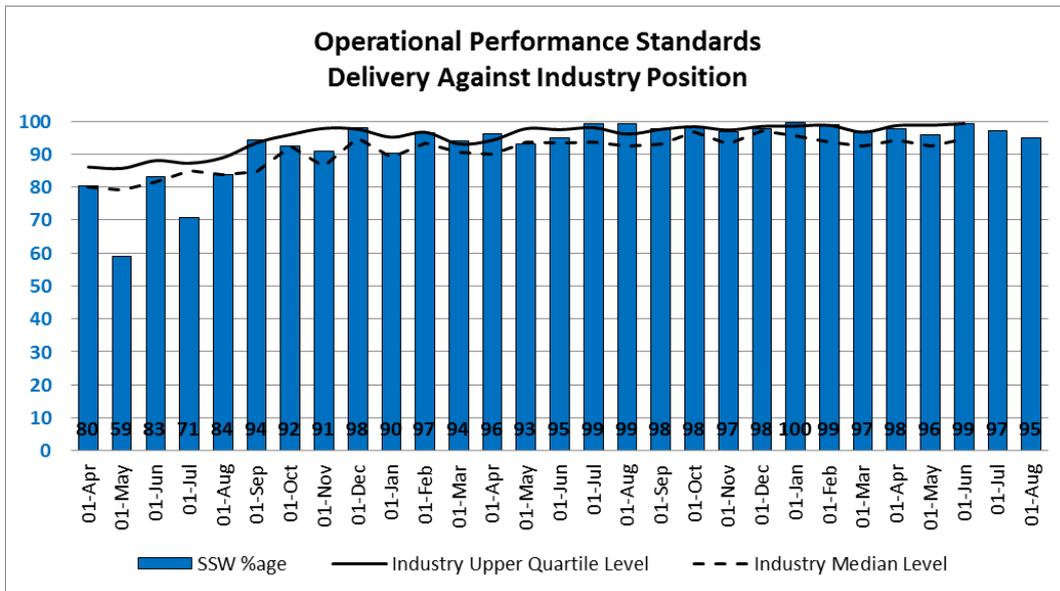


SSW have now signed up with WIRSAE – the Water Industry Registration Scheme for Accredited Entities – administered by Lloyds Register. This scheme allows Retailers to use Accredited Entities for temporary disconnection and reconnection works for Non-Household Customer within our area of supply. This is a significant development and aligns well with Retailer expectations.

Work continues on R-Mex to align with Business Plan proposals - Initial data from the industry strategic pilot survey has been received with SSW scoring at 7.2 out of 10 – average score reported at 7.2 across 11 other wholesalers.

The delivered Operational Performance Standards (OPS) level for July was 97%. This performance was based on 10 SLA failures out of 365 jobs. Industry level comparison data is not currently available as MOSL have not yet published – this is being followed up.

Preliminary data for August indicates performance at 95% based on 14 SLA failures out of 304 jobs – 12 of which were SLA failures within CAM Region.



The delivered Market Performance Standards (MPS) level for July was 93%. This placed SSW 6th in the rank of industry wholesalers and just short of the upper quartile level of 95%.

Provisional data for August, based on internal weekly performance tracking, indicates performance around 87%.

