



OUR BUSINESS PLAN

2025-2030

QUESTIONS & ANSWERS

MAY 2023



YOUR WATER YOUR SAY

This document includes further questions and answers that were asked as part of the Your Water, Your Say process. We have responded to customers directly where we could and this document covers the remainder. We received a large amount of questions, where we had multiple questions that were similar we have grouped them into one question.

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WATER LEAKAGE

What are you doing to improve your leakage performance?

Leakage is a critical priority for our business, it is a key part of ensuring a resilient supply of water and is important for the environment. Leakage is an ongoing challenge with over 19,000km of pipe, enough to stretch from England to Australia, and with ground movement from changes in temperature, we are constantly working to combat leakage through leak repairs and pipe replacement.

We are currently finding and fixing more leaks than ever before. We have detected up to 2,000 leaks in a month and have teams working every day to repair leaks, detected and reported to us by customers. We have increased our leak detection workforce by 60% since summer 2022 with 140 currently employed.

Our work also includes innovative ideas such as using satellites to find water leaks two metres underground, invisible to the human eye, using drone pilots to cover hard to reach places across Dartmoor and Exmoor, and even using detection dogs to find leaks in challenging terrain.

Also, with around 30% of leaks now typically found on customers' own properties, we have extended our offer to fix more of these leaks for free. In the last 12 months (from April 2022) we have repaired 21 million litres of private leaks on customer pipes. We will continue to offer a free leak repair service for larger leaks in 2025-30.

We are also beginning to roll out smart metering to help customers to monitor their consumption and identify possible water changes sooner to reduce any impact on their bill as well as the risk of damage to their property. Smart meters enable leak alerts to be in use, as we can identify changes in consumption and proactively contact the customer of the change.

How has the amount of leakage changed during your tenure and what percentage of the total existing water capacity is lost through leakage?

Leakage was a third higher prior to privatisation than it is now. For 2022/23 percentage of water lost through leakage as a percentage of the existing water capacity was 15.6%. This was 17.3% of the amount of water supplied, called Distribution Input.

We recommend visiting the Discover Water webpage, here you can see the performance of South West Water for leakage in comparison to the industry. There is limited comparative data available, but what data there is will be found on this website: www.discoverwater.co.uk

Has SWW changed its methodology for calculating leaks and if not, what prompted Ofwat to investigate?

Ofwat is our economic regulator and always has the right to seek further information and assurance over our reporting to them. It's also important our customers have confidence in our data. Our data is rigorously checked and is externally audited by an independent third party. We will of course provide any information the regulator requests and we will fully cooperate. We welcome any further insight and improvements to our data.

What is South West Water doing about ongoing leaks that take a long time to resolve?

If you see a leak then please do let us know, however there are factors than can delay a leak getting repaired or for some leaks, it may be that it's not the responsibility of South West Water to fix. For example, private pipes leak a lot. We support customers in many instances with free leak repairs and often with pipe replacement.

Sometimes leaks that South West Water are responsible for are on land we do not own. If there's an agreement from the landowner or there's a risk to property or life we can attend quickly and repair. Where none of the above exists it can be up to 3 months before we can attend to fix – and only once we've secured a court warrant for entry.



Water leakage continued

Furthermore, where a leak is in public owned land, roads and footpaths, these too can take up to three months. Closing a road for a non-emergency intervention can take three months. Every non-emergency leak fix that's in a road or footpath has to be permitted by the highway authority and this takes time.

WATER SUPPLY

What impact has the acquisition of Bournemouth Water by Pennon Group had on the water quality in the Bournemouth region?

Over the next couple of years, we are investing around £100 million in upgrading Knapp Mill Water Treatment Works to ensure we continue to deliver a world-class drinking water supply to our customers. We are also investing this year to improve processes and treatment in the area, ahead of the coming winter. There is further significant investment in the Bournemouth Water supply area with investment at Alderney treatment works as well.

Is Fluoride added to our water?

We do not add fluoride into any water, but we do have low levels of fluoride in our raw water supply.

The decision to add fluoride to drinking water would be made by UK Health Surveillance, not water companies. Whilst some water companies have been asked to add fluoride, South West Water, Bournemouth Water and Bristol Water are not among them.

Why is the water so hard in this part of the country? Do you add Chlorine to the water?

It's normal to notice a slight taste or smell of chlorine in your water as we add a small, safe amount to protect it from harmful bacteria. Heating water can make the smell of chlorine more noticeable, so you may notice it more when you run a bath or shower.

Regarding the hardness of the water supply, rainwater is naturally soft as it contains only small amounts of minerals. If the water passes through limestone and sandstone, minerals (calcium or magnesium carbonate) in the rocks are dissolved in the water, making it hard. These lead to different areas having different levels of water hardness dependent on the geography. The water in the Bournemouth and Bristol supply area is harder than a number of other areas in the UK.

For South West Water, there is no chalk in our area of supply, and most of our area is sourced from moorland rivers and reservoirs, which is classed as soft or moderately soft.

However, in parts of East Devon the water comes from deep underground boreholes and this water is classed as hard. East Devon is significantly lower than the hardness levels found in other parts of the country. Approximately 60% of the UK has hard water and in most of these areas the hardness levels are higher than in East Devon due to the local geology. You can see the different hardness in areas in our region here; [Water hardness \(southwestwater.co.uk\)](https://www.southwestwater.co.uk/water-hardness) or [Water Quality and Hardness checker \(bristolwater.co.uk\)](https://www.bristolwater.co.uk/water-quality-and-hardness-checker). If required we can arrange for one of our scientists to visit and take a water sample.

To help reduce the impact of hard water on appliances in your home, please consider this advice:

- Descale your appliances regularly to help maintain efficiency.
- Keep the temperature of your hot water below 60°C to minimise scale formation.
- Descale your kettle regularly, either by rinsing out the particles or by using a scale remover product. Ensure the product is fully removed and rinsed from the kettle before using it to make hot drinks.
- Using a jug filter that contains ion exchange resin beads can reduce scale formation in the kettle and reduce scum on cups of tea.



YOUR WATER YOUR SAY

Water supply continued

- Adding dead sea salts to bath water will soften it, which can help to reduce skin irritation.
- Consider installing a domestic treatment device, like a water softener, water conditioner or scale inhibitor.

STORM OVERFLOWS

What is South West Water doing to reduce sewage spills?

Reducing the use of storm overflows is one of our main priorities, it is an important issue for us, our customers and communities, as is the health of our rivers and seas.

In 2022, spills reduced by 30% across the region to an average of 28 per storm overflow, compared to an average of 39 in 2021. Releases during the 2022 bathing season reduced by around 50%.

But we know that every spill is one too many and we recognise there is more to do, that's why we are looking at a major investment programme in the next 5-year period and beyond, to improve performance further and ensure we are responding to customer concerns around storm overflows and the environment. You can also read about our work in this area in our [Event Duration Monitoring Annual report](#) on our website and through our [WaterFit Live map](#).

When South West Water was privatised over 30 years ago, nearly half of all household and business' sewage in the region was untreated and discharged directly into the sea. Testing carried out to assess levels of harmful bacteria showed bathing water quality was low, with only 28% passing the most stringent tests.

We have invested over £9 billion on improvements to our network and infrastructure since privatisation, with around one-third (£3bn) of that being allocated to improving our wastewater network and other environmental improvements.

How are you prioritising reductions of sewage discharges and please can you explain the reasons for the need for the discharges?

Customers and communities have been very clear that in our region investment must happen at bathing water beaches first and foremost. We are already reflecting this in the improvements we are undertaking now but also in our plans to 2030. We are working to reduce spills to an average of 20 per year by 2025 across the region.

After this to further reduce our impact, the investment we are making up to 2025 is set out on our WaterFit live web pages, along with explanations about how and why our network operates.

A Combined Sewer Overflow (CSO), or storm overflow, is designed to operate during times of excessive and persistent rainfall. CSOs are the legacy of older combined sewer systems where sewage and surface water flow through the same pipe.

The overflow acts as a safety mechanism and helps to prevent homes and businesses from being flooded during intense or prolonged rainfall. They work by temporarily discharging wastewater into watercourses and eventually the sea. The overflow will trigger due to high volumes of surface water being discharged into the sewers during wet weather and consequently, the discharge is very diluted, and the impact is temporary. Overflows must comply with strict legislation. They are regulated by the Environment Agency who set the conditions under which they are allowed to operate, along with the quality of the discharges made.

We now have monitoring installed on 100% of our storm overflows (one year ahead of the regulatory target) and for 2022 we saw a c.30% reduction in average spills from 39 to 28, with the average duration reducing by 33%, and representing a 50% reduction in the bathing season. This is due to a combination of dry weather and our interventions and investments. To put this into context, this means that typically we are able to treat 97% of the flows in our system.



YOUR WATER YOUR SAY

Storm overflows continued

The south west has some of the best bathing waters in Europe. We recently achieved 100% coastal bathing water quality for the second year running across 860 miles of coastline, with 99% rated as 'Good' or 'Excellent' compared to just 28% in 1991. This is an official classification which is assessed by the Environment Agency.

Over the next two years we will invest £750 million, £100 million of which will be used to reduce releases from storm overflows down to an average of 20 per year by 2025, including prioritised investment at 49 designated bathing waters and on water resources investment.

STORM OVERFLOW DATA

So far combined storm overflows only tell us how long sewage is released, when will be able to tell us how much is released into rivers and bathing water?

Our [annual report on storm overflows](#) is available on our website.

This reflects the fact that we have already installed event duration monitors on 100% of our 1,342 storm overflows. These monitors notify us when there is a potential operation of the overflow. However, they do not monitor volume as reliable and economic technology for this has not been available. The operation of our monitors is subject to regulations, and we report the operability of our monitors. There are many overflows in remote locations and these can be complex to fix. We are working hard to ensure that our EDMs are operating as fully as possible, as they are key to us understanding how our network is performing. Our performance on this is available on our website and a snapshot of it below.



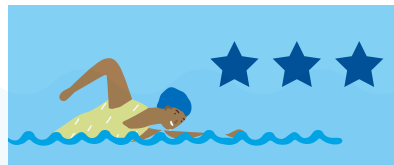
Annual report on storm overflows

Highlights at a glance



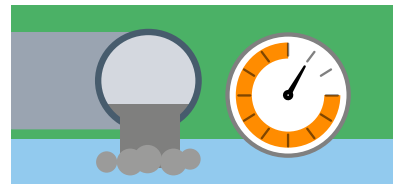
Our cleanest ever sewage treatment works

We achieved our best ever wastewater treatment works compliance, with performance improving to 99.4% meeting the Environment Agency's strict standards.



100% of our bathing waters passed EA standards

All of our regions' bathing waters met the stringent Environment Agency standards, up from 28% in 1991 – achieved through our improved sewage treatment and reduced spills.



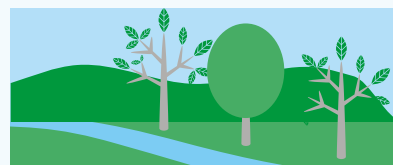
100% of overflows monitored

All our storm overflows are now fitted with monitoring systems (Event Duration Monitors) – a year ahead of schedule.



Pollution reduced

Pollution incidents were down 30% last year, and 50% over 2 years – our lowest ever level.



220,000 trees planted

We've planted 220,000 trees to support river health and create new wildlife habitats. Well ahead of our 2025 commitment.



Storm overflow data continued

While there is currently no requirement to monitor volume of flows, we track when and for how long a release triggers. We also use an established methodology to understand if the discharge might potentially be impacting bathing water quality at a beach.

PLYMOUTH

With a growing population in Plymouth what plans has SWW in place to increase the waste treatment?

We are working with the Environment Agency to agree the work that will be delivered to the Plymouth Central Wastewater Treatment Works storm overflow. The overflow already has an ultraviolet treatment process which kills bacteria and viruses.

Some of the further work we expect to undertake includes reducing the amount of saltwater coming into our network; working with the Environment Agency and Plymouth City Council on surface water separation; and increasing the amount of wastewater that can be treated at the treatment works.

We are also collaborating with Plymouth City Council's Better Places project which will remove large amounts of rainwater currently draining to the sewerage system. We will continue to explore new technology to improve in this area.

In our full year results for 2023, we advised that we are going to be upgrading 90 of our Wastewater Treatment Works to meet tighter environmental standards protecting rivers and wildlife. We will be looking to deliver this between 2025 and 2030.

What happened to Clean Sweep?

We have invested over £9 billion since privatisation through the Clean Sweep programme increasing the capacity of our sewers and delivering dramatic improvements across 860 miles of coastline.

As a result of Clean Sweep, 250 crude sewage outfalls have been closed and 140 projects have been completed. The incredible success of the programme was evident in 2006, when for the first time all 144 bathing sites in South West Water's region achieved 100% compliance with the EU mandatory standard.

By investing over £13 billion through upgrades, like operation Clean Sweep, 97% of sewage is now treated through one of our 653 treatment works.

STORM OVERFLOWS & LOCAL COMMUNITIES

What are Bristol Water's plans for improving water quality in our rivers?

The wastewater services in the Bristol area are provided by Wessex Water, the topics referred to are services provided by them.

However, we do work with Wessex Water to ensure that drinking water supplies are not affected by sewage, such as the reed bed planned to further protect Chew Valley Lake. We send a joint bill (with Wessex Water) to customers with Bristol Water and this does include messaging around water conservation and recycling. Wessex Water also have an improvement plan for storm overflows and can be read on their website:

[Storm overflow improvement plan \(www.wessexwater.co.uk\)](http://www.wessexwater.co.uk)

With old waterways and the amount of new buildings going on, would it not be wise to invest in replacing the old system with new?

Replacing the whole system would be complex, the impact on the community of the work would be significantly disruptive and it would not be economical; particularly, as we have invested significant sums and not all of the network needs replacing.



YOUR WATER YOUR SAY

Storm overflows & local communities continued

We are working hard to look at where investment does need to take place and prioritising investment on storm overflows where we know customers feel passionately.

We also need to keep bills affordable and ensure we can deliver investment efficiently, so are balancing all these considerations in our plans for the future.

As a result of high levels of E-coli during periods of no rainfall, funding has been allocated in 2025 to fix the issues causing the pollution in the River Lym; can the funding be brought forward to protect the public?

As a result of the ongoing work with the River Lim Action Group, Lyme Regis Town Council, Dorset Council and the EA, South West Water have installed water quality monitors to better understand what is happening in the River Lim and what the scale of the issues raised are.

This information will feed into the investigative, picture building work we are doing in the catchment, that will enable us to define and ultimately remedy any issues related to our network.

Improvements at all 6 River Lim overflows will be delivered under the Bathing Waters driver by 2027. If we are successful in our application to Ofwat for transitional funding, we will be able to bring early investigative work forward, which will result in benefits of the work across the catchment being felt earlier. Much of the work will involve surface water separation.

How do SWW propose to educate customers on the adverse effects of flushing unflushable items down the toilet?

We agree this is a very important topic and one we continue to campaign about with our customers through a variety of channels.

South West Water supports plans launched by the environment secretary Thérèse Coffey in April to ban plastic-based wet wipes in a bid to tackle water pollution.

If successful, the ban should come into effect next year, following a consultation as part of a wider plan to improve water quality in England.

We are also looking to work with more local stakeholders and communities to raise awareness of the impact of wipes, helping to reduce wet wipes getting into our network and decreasing the risk of blockages. Every year we remove the equivalent of 30 double deck buses in wet wipes, so changing behaviour in this way could make a real difference.

Are pollution survey results published on your website along with locations best to swim?

We want everyone in the south west to feel confident about the water at their favourite beaches and to know we are serious about reducing the use of storm overflows. **WaterFit Live** details investment that we are making to reduce overflow spills across the region's coastline by 2025. It also gives customers and visitors live information about our region's bathing beaches and storm overflow operation. We do not publish other potential pollution risks at present as feedback from stakeholders supported focusing on the impact of our network, rather than the complexity of other pollution factors on rivers and seas.

We will be investing in 49 bathing beaches in the next two years. There will be more investment to come and through **#Your Beach, Your Say, Our Investment** we are empowering customers and communities to work with us to plan our next phase of improvements and investments.

Our **draft Drainage and Wastewater Management Plan** sets out a delivery plan for storm overflows to meet the Government's expectations by 2040, a decade faster than the target of 2050. We know this is a priority for customers and our plan focuses on bathing waters as a key priority, improving water quality by reducing the use of storm overflows.



WaterFit Live website



Drainage and Wastewater Management Plan

FARMING

Nitrate pollution in water, which is mainly from agricultural activities, remains a problem. What is being done to address this issue?

We have made improvements to over 100,000 hectares of land across 80% of our drinking water catchments to benefit river quality in the south west and by 2030 we will have worked with farmers across an area the size of Dartmoor National Park.

For drinking water, nitrate concentrations exist within an expected band and are hosted on our website as part of our water quality postcode search. We issue reports titled 'schedule 4's' which contains the sampling results and you can see minimum, maximum and mean values against the Regulatory PCV of 50 milligrams per litre (mg/l) for nitrate.

WATER RESOURCES

What plans do you have for collecting and storing fresh water especially during periods of drought?

We are determined to make the south west resilient to the increased risks of drought, to support sustainable economic and tourism growth, and to protect our environment, while reducing our carbon footprint. This includes a combination of strategies to reduce consumer demand, reducing leakage and investing in additional storage and new sources of water. All of these measures are considered to protect the finite resource of water, protect the environment and keep customer bills as low as possible.

Our current system relies heavily on rain and the water in rivers and reservoirs, and climate change has shown us that we need to be developing climate-independent sources of water in Devon and Cornwall. With 860 miles of coastline, desalination is a logical option to explore and forms part of our investment we are making this year in new water resource schemes.

This also includes bringing new water sources online such as Hawks Tor, a redundant china clay pit purchased in 2022, which has been converted into a new reservoir inside nine months. We are investing £125 million in our water resources to secure resilience through desalination solutions, installing new pipelines and repurposing quarries. By 2025, we aim to significantly increase our water resources by 45% in Cornwall and 30% in Devon.

From 2025-2030, we will invest in new sources to add as much water as would be used by 150,000 people, including the potential to develop a new reservoir at Cheddar.

We have found potential sites for desalination in Cornwall where we are currently running detailed suitability assessments. As part of the process, we are looking at working with potential suppliers and will be able to share dates of our next phase when this is complete. We are working closely with the Environment Agency and Cornwall Council to get work started as early possible.

Meanwhile, we have recently launched our Save Every Drop campaign asking customers and visitors to the region to reduce their water consumption wherever possible. This is important on a sustainable basis to minimise our impact on the environment around us.



Why does South West Water issue standing charges for water (and sewerage)?

Measured customers pay a fixed charge to cover the cost of meter maintenance and replacement. This also covers retail costs of billing and collection, which do not link to volumes. Even if a customer uses minimal or little water on a supply, assets may require maintenance.

We are currently developing new and innovative tariffs to provide customers with choice and the tools to save water and money. In particular we are keen to understand how we can ensure our bills are fair and progressive, reflective of the investment we are making in the wastewater network, particularly surface water separation.

YOUR WATER YOUR SAY

DESALINATION PLANTS & INCREASING WATER STORAGE

High temperatures and drought are likely to continue or get worse. Are alternative plans in place to store water?

We are working hard to ensure the south west is resilient to the increased risks of drought, from population growth and climate change, to support sustainable economic and tourism growth, and to protect our environment, while reducing our carbon footprint.

With 860 miles of coastline, desalination is a logical option to explore and forms part of our investment we are making this year in new water resource schemes. Such as Hawks Tor, a redundant china clay pit purchased in 2022, which is being converted into a new reservoir.

We have found potential sites for desalination in Cornwall where we are currently running detailed suitability assessments. As part of the process, we are looking at working with potential suppliers and will be able to share dates of our next phase when this is complete. We are working closely with the Environment Agency and Cornwall Council to get work started as early as possible.

Our current system relies heavily on rain and the water in rivers and reservoirs, and climate change has shown us that we need to be developing climate-independent sources of water in Devon and Cornwall. We are planning to construct desalination plants and further re-purposing quarries so that by 2025 we will increase the storage in Cornwall.

Water is a finite resource, we need to balance the impact on the environment and customer bills and ensure that consumers use water wisely and make changes to reduce their water consumption where possible.

DAILY USAGE LIMIT

Will there ever be a limit on daily water supply?

As a company we have targets to ensure the households we serve use only the water they need and so minimise their daily usage, but we do not have plans to limit or cap individual water usage.

Our plans for water resources use government prediction on population increases, climate change etc to forecast the water resource needs going forwards for our region, and our plans aim to ensure we have enough water for everyone.

Part of our plans however rely on customers using water carefully and we are working hard to communicate the importance and value of water. Our 'Stop the Drop', 'Save Every Drop' and 'Every Drip, Every Drop' campaigns asked residents, businesses and visitors to take small steps to reduce their water usage that will allow a big change to take place in water demand. This is a key message, and we will continue to focus on water efficiency, supported by the implementation of smart meters giving customers visibility and control of their consumption over the next decade.

Our campaigns have also focussed on business and the tourism sector targeting visitors and writing to all businesses in the south west region offering water efficiency support and advice. We continue to focus on how we best support all those in our region to use only the water they need to ensure a sustainable future.

STOP
THE
DROP



TOURISM & WATER USAGE

Can you explain how you are actively reducing water demand during summer when tourism is at peak and water availability lowest?

Our Save Every Drop campaign is encouraging and supporting customers, businesses and tourists across the region in reducing non-essential water usage to help protect water supplies, by highlighting how small every day changes in our water use habits can have an extraordinary impact on reducing daily demand, cutting bills for those on a water meter and helping to protect our natural environment.

Through the campaign, customers can discover tips and hints on how to reduce water usage and claim a range of free water-saving devices from shower regulators and timers, to bufaloo bags and leaky loo detectors.

As visitors to the south west play a big part in the increased demand over the summer, South West Water are also working with holiday parks and tourists to help them recognise their role in protecting water supplies and the beautiful environment they love to visit.

As well as radio and service station advertising, South West Water has issued leaflets and posters to every household and business across the south west and around 3,500 tourist information locations.

We recognise that tourism places additional stress on our water and wastewater network, and investment in this can impact bills. We are currently looking at a way to ensure bills are more equitable and fair. We are looking at progressive and innovative ways of charging, to pick up on these elements of demand and considering pilots and trials to encourage water saving. These could include for example charging Airbnb or second homes owners for network 'capacity' or increasing the price for higher volumes of water used. We are also investing in additional water storage across the region.

WATER HARVESTING

Why are rainwater harvesting systems not encouraged a great deal more?

We are supportive of rainwater harvesting systems and other methods of saving water. As part of our Stop the Drop and now Save Every Drop campaigns we have given 180,000 free water-saving devices from water butts to shower heads. We are already providing free water butts to eligible households in Devon and Cornwall given the water resource challenge and have provided over 50,000 to date.

Our community saving fund and business innovation fund also offer support for water efficiency schemes e.g. a rainwater harvest system for local allotments and previously used treated drinking water transported manually for crops. We welcome ideas and opportunities to work with the community and stakeholders in this area.

We are working with housing developers to make new houses as water efficient as possible. As houses last a very long time it is expensive to redesign the internal plumbing, so we are focusing on working on new properties as well as grey water in the gardens through water butts.

Why are South West Water not expanding the reservoirs to hold more?

The size of reservoirs is often not the problem. Our focus is on ensuring the water in it reaches sufficient levels. With climate change bringing more prolonged hot and dry weather conditions reservoir levels across the region have been unable to fully recharge ahead of the peak summer demand.

We are investing £125 million in our water resources to secure resilience through desalination solutions, installing new pipelines and repurposing quarries. By 2025, we aim to significantly increase our water resources by 45% in Cornwall and 30% in Devon.

Why do you allow so many reservoirs to allow excess water flow to the rivers when you have hose pipe bans in place?

When we look at water resources and restrictions we balance the Water Resource Zone as a whole and not one reservoir in isolation. Roadford reservoir, for example, is one of our three strategic reservoirs and will support water supplies across a wide area over the summer period, when smaller reservoirs, like Meldon, begin to drop as demand increases.

Following the long hot summer last year water storage levels in Roadford remain significantly lower than they were this time last year. Because of this we have taken the decision to protect the zone as a whole.

If customers supplied by Meldon use less water the drawdown on the reservoir will be slower and in turn help slow down the support needed from Roadford. It is important to look at the whole zone in that way, sharing water and saving water for all customers.

Rain has helped river and reservoir levels to stabilise and slowly start to recover but we are still in drought in Devon and Cornwall. The ground remains dry, takes longer to absorb water and reach groundwater sources. We need sustained rainfall to restore moisture to the ground, then refill rivers and reservoirs.

In the meantime, we have been working hard to move water around our region, ensure we are optimising our resources, working hard to fix leaks and invest in increasing water storage.

We are investing £125 million in our water resources to secure resilience through desalination solutions, installing new pipelines and repurposing quarries. By 2025, we aim to significantly increase our water resources by 45% in Cornwall and 30% in Devon.

How can we manage holiday homes and hot tub use in a drought? Does that mean that people will be able to continue building private swimming pools, even though water is scarce?

Residential customers who are in an area on a hosepipe ban should not be filling a hot tub with a hosepipe. Our Save Every Drop campaign is encouraging and supporting customers, businesses and tourists across the region in reducing non-essential water usage to help protect water supplies, by highlighting how small every day changes in our water use habits can have an extraordinary impact on reducing daily demand, cutting bills for those on a water meter and helping to protect our natural environment.

Through the campaign customers can discover tips and hints on how to reduce water usage and claim a range of free water-saving devices from shower regulators and timers, to bufaloo bags and leaky loo detectors.

We can't restrict the public from building swimming pools but they will be charged for their use of these larger items in line with our charges scheme. We are also considering alternative charging methods, to try to ensure bills are fair and equitable.

DIVIDEND PAYMENTS, DIVIDENDS, BONUS & PROFIT

How much money has South West Water invested?

This year we have increased capital investment by 49% to £358 million, whilst dividends have reduced substantially to £12 million from South West Water Ltd.

Since 1989, we have invested nearly double the amount paid in dividends into South West Water's capital investment programmes.

How are bonuses and dividends reflecting the challenges arising around performance and investment?

The remuneration package for executives is conditional on delivery of robust financial, customer, operational and personal objectives, as well as value created for shareholders, which is overseen by our independent board.

Our CEO, Susan Davy, has forgone her bonus this year, with proceeds instead going to the WaterShare+ scheme. She has done this in acknowledgement that customers want more to happen. We are working hard to do this and already have delivered significant investment and improvement since privatisation, through operation Clean Sweep, ensuring that we treat 97% of the wastewater, which previously was directly discharged to beaches. We still have more to do and need to step up in our performance plans, to do this we need investment from shareholders.

We receive investment from shareholders and lenders in order to allow us to make investment. They then receive a return over time, that is regulated by our economic regulator, Ofwat. By paying a return, this allows us to maintain a strong financial position and enable us to raise more investment when needed to continue our plans to programme of investment to improve our network and infrastructure. Our investors have supported us in making higher levels of investment to ensure we accelerate our programme of improvement.

Last year, we announced a further investment of £120 million in a number of environmental and resilience initiatives, including our plan to reduce the use of storm overflows and our impact on rivers by 2025 as part of our WaterFit programme. As described above, shareholders and lenders fund investment in advance, with customer bills providing a return over time as customers enjoy the benefit from an improved network.

How large is the group's debt and what is the absolute annual amount and the average percentage of a consumer's household bill spent on servicing debt?

Pennon is financially resilient. With a strategy focused on growth in environmental infrastructure and leadership in UK Water, our strong balance sheet is enabling us to invest record amounts consistently and sustainably across the south west, as well as maintaining one of the lowest gearing across Water and Sewerage Company's in the sector as attested in Ofwat's Monitoring Financial Resilience report in December 2022.

To shed light on the topic of gearing, which has gathered significant attention in the news, it refers to how a business finances its activities by comparing the funds provided by equity and debt. Higher gearing implies greater reliance on borrowed funds, while lower gearing signifies increased financial resilience with a greater emphasis on shareholder investments. We have consistently maintained a responsible gearing level in line with Ofwat's guidance, which currently stands at 60%. Our debt as of 31 March 2023 was £2.9bn, the overall regulated value of the business was £4.7bn. Therefore, our gearing (the ratio of debt to regulatory capital value) is around 60%.

On average, around 8% of our total annual expenditure (of c.£900 million) reflects debt servicing costs. Of the £900 million spent each year, around £700 million comes from the money we collect from customers. The rest comes from other sources of finance, this helps to spread the cost over a longer period of time to keep bills stable and lower.

PRIVATISATION

Can you explain the benefits of our water companies being privatised?

We have invested over £9 billion in improvements to our network and infrastructure since privatisation, with around one-third (£3bn) of that being allocated to improving our wastewater network and other environmental improvements.

At privatisation, significant investment was required to improve our water quality and wastewater network. In Devon and Cornwall, for example, the majority of sewage was not treated but simply passed out to sea. We now treat over 97% of wastewater, and have also improved water quality, reduced leakage and invested to better maintain our networks.

However, we know that there is still more to do and that's why we are looking at a major investment programme in the next 5-year period and beyond, to improve performance further and ensure we are responding to customer concerns around storm overflows, the environment and to ensure we continue to provide high quality, resilient water supplies across our regions.

We remain in a world where ongoing investment is still needed, and funding is needed to do this. As a publicly listed business, with a strong balance sheet, we can raise the funds to continue this investment, and are not competing with other public services to do so. We are committed to delivering excellent outcomes for our customers, communities, and the places they love, and will continue to do so in the future.

Why do you not insist on metered water supply and not allow multiple properties use one rateable value rate?

Current legislation that governs the water industry only allows water companies to enforce metering on all its customers if the Environment Agency have classified the area as being seriously water stressed. Of the areas we supply with water the latest assessment (available [here](#)) only classifies Bournemouth and the Isles of Scilly as seriously water stressed. We are considering the imposition of universal metering into those areas, but we are not legally able to do this in Devon and Cornwall.

What are you doing to improve your standing in the community?

We are aware that we need to build trust with the communities we serve, we are using our WaterShare+ Panel as one way to hear from customers about local views, receive challenge on our forward plans and performance. This one of a number of projects to regain the trust, as well as working with Stakeholders and partners across the region.

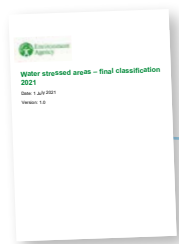
Who owns South West Water? ie. Where do the major shareholders live?

50% of our shareholders are UK based with 19% in Continental Europe, 17% in North America and 7% in the Far East and Australia.

Around two-thirds of Pennon's shareholders are pension funds, savings and charities, as well as employees and customers.

Uniquely to us, through WaterShare+, customers are also our shareholders – with around 1 in 14 households across SWW now shareholders, and 1 in 30 of Bristol water customers participating too, giving customers in the south west a say in their water company. Over 90,000 individual customers hold shares, compared with around 20,000 other investors.

Our Shareholders invest for the long term and we pay dividends as a return on their investment which in turn allows us to invest in our networks.



CUSTOMER SERVICE

Are South West Water able to offer rebates on previous usage?

While we do not offer rebates retrospectively, we do offer a number of tariffs for those who cannot pay their bills and we encourage all customers to speak to us if they are struggling. Please do get in touch if you need help with your bill.

What drives the group's prioritisation process for their future plans?

We spend a lot of time talking and listening with the aim of understanding what our customers want, supported by an awareness of our legal and regulatory obligations.

We encourage attendees to take part in the engagement process and assist with the process of deciding where, when and how our priorities are focussed.

There is a prioritisation, we use extensive customer research to ensure we are prioritising the needs of our customers, combined with regulatory priorities. We are focussing on bathing waters due to the nature of our region, but we want to hear from customers if they have other concerns.

Are we able to adjust our direct debit on our online account?

Customers are able to amend their direct debits online and you will receive a quote for a figure to cover your ongoing charges and any arrears that may be on the account.

If our customers want to change it to a specific amount, we'd ask them to contact us and we'd be happy to help further. We are working on ways to make payments easier across all channels, this includes work to improve the capabilities of our online billing offering.

What are SWW doing to help people with the cost-of-living crisis?

We know the challenges of the cost-of-living crisis for our customers is hard, which is why we have worked hard to keep bills well below inflation in all our regions.

We will help customers who need it, and we encourage anyone who is worried about their bill to get in touch and see what additional support we can offer.

We are committed to eradicating water poverty across all of our regions by 2025.

We use data to automatically enroll eligible customers onto a lower tariff, we supported 8,000 customers in this way across the South West Water region during 2022/23.

Having a water meter can help reduce the water bill, we have a guarantee in place for customers who opt for trying a water meter, and if it does cost them more, they can have the money back.

We also promote water efficiency advice, as using less water will lower the bill for metered customers.

To date, we have assisted nearly 100,000 customers and will continue to make sure support is available for those who need it.

Would the company consider offering a small bill discount for reporting water leaks - it might encourage more people to report them so they can be dealt with quickly?

We don't have any plans for this at this stage. We are grateful for the public reporting leaks as it helps fix them quicker. We are also using new innovation to detect leaks before customers need to report them.

FUTURE INVESTMENT PLANS

How much are you investing to protect the environment, now and over the period from 2025 to 2030?

We are expecting to invest around £750 million across our region in the next two years. Between 2025-2030 we are planning over £3 billion in our water and wastewater infrastructure. This equates to approximately £1 billion of maintaining current services and £2 billion for improving services and protecting our environment and supply resilience.

Please explain what you plan to do about lead pipes in older properties.

We are working to protect current and future customers from the potential health effects of lead pipes. Failure against lead standards is rare but we are removing lead from our network with a strategic ambition to be lead free by 2050. Between 2025-2030 we are proposing to invest at least £50 million in removing lead pipes from our supply.

We are supporting customers as much as we can to replace their own lead pipes alongside our proactive work at replacing our own.

If you have a lead pipe now and are interested in knowing what help is available, please do read about the services we offer on our website.

What is happening with all the extra funds being generated by new homes?

Charges that are paid by housing developers to water companies for new properties connected to the network are regulated. The charges that contribute to the cost of reinforcing the network, including expanding the treatment works, is paid for by new developments separately.

To what extent has Brexit impacted on the supply and costs of chemicals that are used to treat the water?

It is difficult to attribute cost/supply issues to any specific issue, however Brexit, COVID-19, Ukraine situation, power prices, and chemical plant outages have all impacted on the price of chemicals.

How are local interest groups involved in designing environmental improvements?

South West Water currently work with a range of local interest groups, such as:

- Stakeholder forums to share information about our environmental work and to engage groups in the development of our strategic plans
- Town and Parish Councils, Local Authorities and other groups and individuals took part in online workshops in September 2022 to inform the development of the Drainage and Wastewater Management Plans.
- Online workshops were also held in the autumn to engage local groups and individuals on a series of Drought Permit applications in Cornwall
- Our collaborative work with councils will see us pilot an awareness raising/behaviour change campaign around sewer misuse in Newquay this summer (in partnership with the Town Council).
- Through the Lyme Regis Bathing Water group (including the Town Council, Dorset Council, the EA and River Lim Action Group) we are working collaboratively to identify and resolve opportunities and challenges around water quality in the catchment. Using intelligence and local information to help guide our own investigations.
- With Holberton Parish Council we are exploring how the opportunity presented by the construction of a developer funded surface water sewer can be maximised to incorporate additional surface water flows from the catchment, from homes and buildings – reducing pressure on the network.

YOUR WATER YOUR SAY

Future investment plans continued

In addition, we have established a stakeholder engagement and a community engagement function to work with local community and environmental groups to collaborate and develop solutions to current issues and future opportunities. Community and environmental groups are increasingly keen to get involved in aspects of the design, implementation and monitoring of environmental improvements, including the use of nature-based solutions and citizen science projects, which we welcome and are looking at how best to facilitate going forwards.

If you are part of a community group and would like to discuss any area or issues with us, you can do so through our WaterFit live page [#Your beach, Your Say, Our investment](#).



BRISTOL WATER

How will the change of ownership of Bristol Water affect how it operates?

As part of the acquisition, customers have already seen lower bills because the additional financing cost of a small company has been removed. Being part of a larger company also allowed us to postpone 5% of the bill increase this year so customer bills increased less than inflation, despite a higher increase than allowed. Ofwat agreed with this approach and this may not have been possible for Bristol Water before because, as a smaller company, there is less flexibility to take steps such as this at a time of rising costs.

There will be minimal other change for Bristol Water in the next couple of years, as the company is still required to meet the same performance targets, the same investment and efficiency requirements, and the same regulatory oversight also remains in place.

From 2025 onwards as the next investment cycle commences, being part of a larger group will allow more capacity for investment when it is needed than sometimes could be possible in a small company which traditionally had more restrictive financing options due to its size. Separate price controls are being kept for Bristol Water, a condition of the acquisition, which means the investment needs will be considered separately – there is transparency for customers and regulators on investment and performance in the Bristol area.

The change in ownership allows the best practice of both operating areas to be shared – Bristol Water has very high performance around customer experience and very low levels of leakage – South West Water has a very strong apprenticeship and graduate recruitment programme that a smaller company could not organise, and experience of water quality improvements that the Bristol area can benefit from. These are just early examples, alongside lower costs from better procurement which we will share the benefits of through the WaterShare+ mechanism.

