

# WaterFuture

Proposals and Choices  
2020-2025



#getintowater





CONTENTS

**Here at South West Water we understand the trust our customers place in us to provide essential water and wastewater services. We have a responsibility to protect health and the beautiful and unique environment in which we all live and work.**

Our aim is to continually drive up standards, particularly in the areas which matter most to our customers. Utilising best practice and innovative approaches helps ensure we deliver services in the most responsible and efficient way possible.

**We have listened to our customers' views to develop the proposals in this document designed to meet their expectations while keeping bills affordable for all.**

**In order to continue to provide a value for money, affordable service we must:**

- Keep our existing assets running whatever the conditions
- Target investment in new assets only where this is the most efficient solution
- Embrace innovation and best practice from across all industry sectors
- Enhance the environment by continuing value our natural resources and support the circular economy
- Exceed the standards and targets set by all of our regulators
- Meet existing and emerging challenges such as climate change, population growth, new legislation and changes associated with Brexit
- Contribute to the overall success of the region and support our local economy.



**WHAT ARE YOUR VIEWS?**

See our 'Have your say' section on page 51 or visit

[www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)



**GET INTO WATER**

## FACT FILE

### South West Water



-  Reservoirs
-  Water Treatment Works
-  Wastewater Treatment Works
-  Blue Flag beaches
-  Bathing waters

### Isles of Scilly



When the water industry was transferred out of the public sector in 1989 South West Water inherited reservoirs, treatment works, water mains and sewers which were outdated and had been outgrown by the population they served. Since then we have invested heavily in modernising the region's water and wastewater services, bringing them in line with stringent environmental standards and other regulations. Today, the bulk of our expenditure is on the maintenance of the existing network and assets we operate.

The nature of our peninsula, with its dispersed population, lengthy coastline, hilly topography and limited groundwater reserves, has shaped the way in which the company operates. Through the years, by innovating, investing and adapting we have achieved industry-leading results in many areas of the business.

In April 2015 Bournemouth Water was acquired by Pennon Group Plc and from 1 April 2016 has been integrated with South West Water under a single operating licence.

We have also expressed an interest to extend our operational area to cover the Isles of Scilly.

We are consulting with Defra and the Council of Isles of Scilly, along with Tresco Estate and the Duchy of Cornwall with a view to understanding the investment required to put water and wastewater services onto a sustainable footing and bring services up to standards enjoyed across England and Wales.

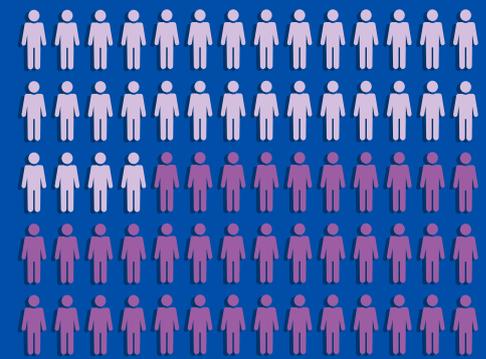


**144** bathing waters 

**24** shellfish waters 

**>10m** visitors per year

**1.0m** customers



**2.2m** population served

**Bournemouth Water**



 **top priority**  
**SAFE WATER SUPPLY**

**23** raw water reservoirs

**34** operational drinking water treatment works

**18,176km** drinking water mains network

**652** wastewater treatment works

**1,222** wastewater pumping stations\*

**92%** current customer satisfaction levels

**21** consecutive years without water restrictions (South West Water)

 **Achievements in 2017:**

- Water quality standards continue to be consistently amongst the best in the industry
- 98% of the sampled bathing waters met tougher new standards.

\* including recently transferred private pumping stations

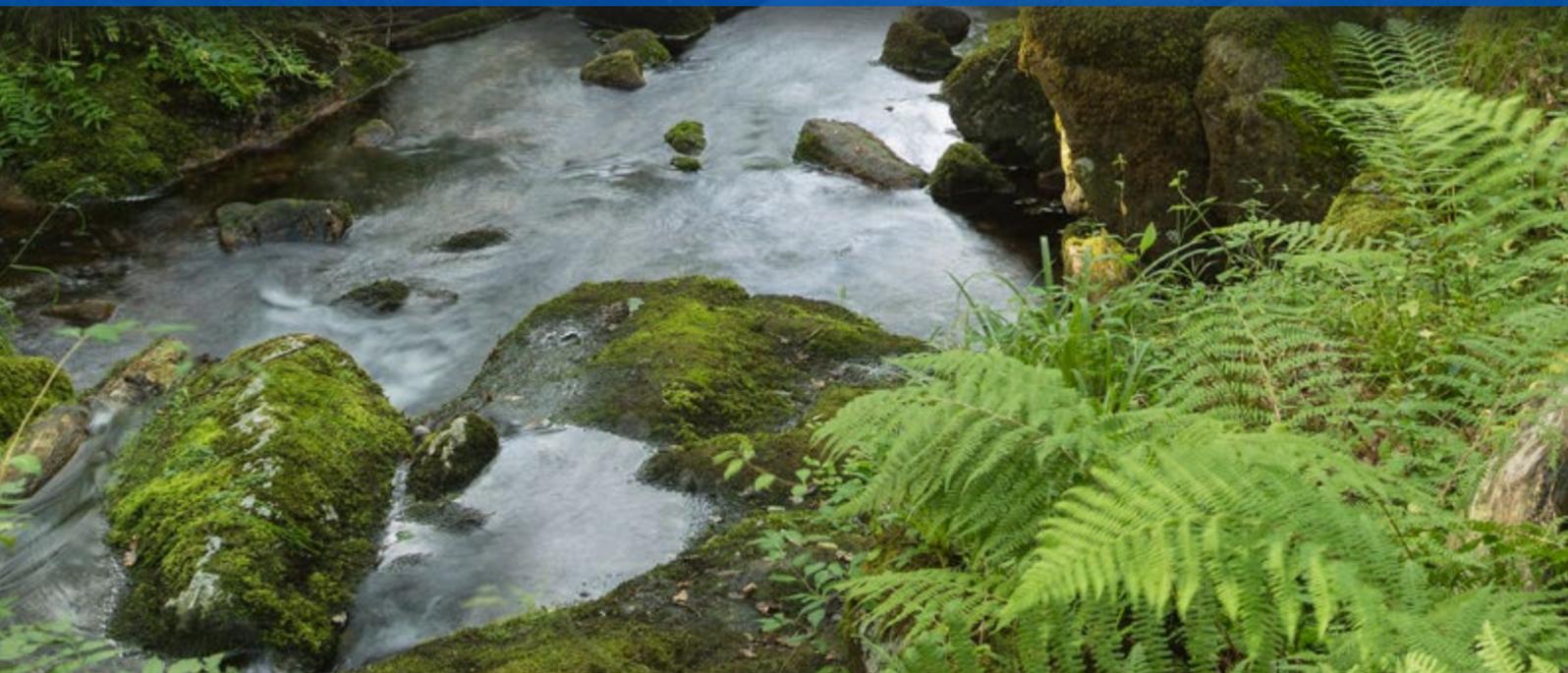


WELCOME



**Dr Stephen Bird**  
Managing Director,  
South West Water

Five years ago South West Water and its customers began a journey. Ahead of the 2014 Price Review, which established water company business plans for the 2015-2020 period, we challenged ourselves to put customers' priorities even closer to the heart of business planning. We undertook what was, at that time, the largest public consultation in our company's history. Through that process of extensive research and engagement, independent scrutiny, and challenge from our Board, we developed eight 'outcomes' with associated performance commitments. Together, these continue to provide the framework for all our business activities and investments.



**For our WaterFuture Business Plan to 2020, South West Water was one of only two companies to receive ‘enhanced’ status from Ofwat, the industry’s economic regulator. Being effectively fast-tracked, this brought a series of benefits to our customers, not least enabling us to get a headstart on many of our proposed activities and investments, including improved protection for the region’s bathing waters.**

The plan identified our key long-term aims to deliver:

Since 2014, strong progress has been made across all ‘outcome’ areas. In every element of business activity our 2015-2020 plans have been characterised by innovation and an ambition to deliver measurable improvements in service while keeping bills at an affordable level for all of our customers.

Our customers continue to enjoy high quality drinking water with no water restrictions imposed. Significant improvements have been made in leakage control, water supply interruptions have reduced and customer satisfaction continues to increase. In 2016 our wastewater treatment compliance was its highest to date and the number of bathing waters meeting EU standards reached a record high. Importantly, we are confident in our ability to meet or surpass all performance commitments outlined in our plan to 2020.

At the same time, the journey we are on is far from over. In order to fulfil our long-term vision to 2050 there is much work to do and room for improvement, particularly within the wastewater side of the business. Further work is required to protect our unique environment, so critical for the people and economy of the South West. This is something we are targeting through a renewed environmental strategy which seeks to make radical improvements in specific areas, ensuring that we move our performance to amongst the best in the industry.

This document outlines the next steps we plan to take and has been informed by our most extensive and robust programme of customer research and engagement to date. It explores how the company plans to stay resilient to future challenges such as population growth and the impacts of climate change and outlines our plans to ensure customer bills remain fair and affordable for all. It illustrates the areas in which we will invest in order to maintain and improve our services to our customers, and to protect and enhance the environment, for now and for future generations.

[For more information, see supporting report:](#)

[Our Vision 2020–2050](#)



WELCOME  
CONTINUED



### Listening to our customers

The conversations we have with customers are ongoing and we continue to look at new and innovative ways to better understand and meet our customers' needs. As part of business planning to 2025 and beyond we have taken a number of key steps over the last two years in order to gain the best possible insight. This will ensure our customers' views are at the heart of the business plan, which will be submitted to Ofwat, our economic regulator, in September 2018.

To date, we have gained feedback from over 18,000 customers. We will continue to engage through social media and digital channels, as well as face to face, right up until the point our plan is submitted.

The evidence we have gathered shows that our customers' priorities remain broadly similar to those five years ago. A clean and safe supply of drinking water remains the number one priority. Interestingly, the protection of bathing water has moved up to second place, perhaps due to increased awareness about the vital role bathing waters play in the regional economy of the South West.

### Supporting growth in the South West

The South West is forecast to have significant population growth for the foreseeable future, with Exeter forecast to be one of the fastest growing cities in the United Kingdom. We also receive very high numbers of visitors to the region, especially during the summer months. While this long-term and seasonal growth is beneficial to the regional economy and the communities we serve, it also means that we must carefully manage our assets to ensure there is sufficient capacity to meet these peak demands. This includes drinking water assets and our water resources, as well as our wastewater network and treatment process. We will invest to meet the needs of current and future customers, in a way which offers best value for money over the longer term.

### Staying resilient 'in the round'

Across all business areas we have challenged ourselves to identify improved ways of working that will ensure we are resilient for the future and able to cope with environmental, social, economic and political pressures. This spans everything from the work we are doing to ensure our operations are unaffected by extreme weather events through to our people strategy (including skills development and apprenticeships), as well as our approach to corporate governance.

### Keeping bills low and affordable for all

Above all else, our customers continue to emphasise the importance of keeping bills as low as possible. The proposals included in this document represent a balance of activity and investment that will make improvements in the most important areas while minimising the impact on the price our customers pay. Throughout this document we explain how we arrived at our optimum levels of proposed investment and how it would impact on our customers' bills.

We remain firmly committed to providing support for customers who may struggle to pay their bills. We are proud of our industry-leading range of affordability measures including our social tariff which we are now rolling out in our Bournemouth region. We have also introduced a new initiative in 2016/17, developed with the charity MIND, designed to increase the awareness of our call handlers to issues around customer debt caused or exacerbated by stress, dementia, or other mental health issues.

For more information, see supporting reports:

[Resilience report](#)



[Affordability report](#)





Enhance  
and support  
the communities  
we serve

### Improving customer service

Customers are at the heart of our business. We will continue to work with our customers to understand their needs and to deliver a range of services that exceeds their expectations. We will continue to find ever more innovative ways to engage and transact with them, taking advantage of customer service best practice from across all industry sectors. We will also strive to give our customers a consistent level of service whenever they may call on us, shaping our business so that we are resilient and responsive at all times.

### Governance

South West Water Limited is a wholly-owned subsidiary of Pennon Group plc, a FTSE 250 company, trading on the main market for listed securities of the London Stock Exchange. South West Water and its parent company Pennon Group plc remain committed to operating to the highest standards of Board leadership and governance including transparency of reporting to investors, customers, regulators and other stakeholders.

### Summary

Our long-term vision is for a resilient service that is immune to shocks, be they financial or operational, and to operate a business that is innovative, agile and centred on our customers. We aim to deliver a service that balances our customers' needs with those of our key stakeholders, regulators and the unique environment in which we operate. By targeting investment at the levels set out in this document we believe we can continue to deliver significant improvements to services and protect and enhance the environment for now and for future generations. We welcome customer views on the proposals we have made and will ensure that their feedback is fully considered in the final plan we present to our regulator, Ofwat, on the 3 September 2018.



**Dr Stephen Bird**  
Managing Director, South West Water

## THE WATERFUTURE JOURNEY

NOVEMBER 2016 – FEBRUARY 2018

### Research

#### Customer and stakeholder priorities for the future

Our customers' views and opinions are central to the development of our plans for now and for future generations.

We continually engage with our customers to ensure we understand their preferences and priorities. This is achieved through a range of activities such as:

#### An independently chaired WaterFuture Customer Panel

The panel consists of members from the Consumer Council for Water, the Environment Agency and Natural England, along with representatives from local business, customer and stakeholder organisations, including the Chair of Bournemouth Water's Customer View group.

Their role is to scrutinise and challenge our plans to ensure they reflect an understanding of our customers' and stakeholders' priorities.



SEPTEMBER 2017

### Publication

#### WaterFuture: Our Vision 2020-2050



We have listened to what our customers have been saying, much of which was reflected in *Our Vision to 2050* published back in September. Created in three formats, it outlines our long-term objectives for services for the period 2020-2050, and established four guiding principles for our activities:

- **Reliability** – delivering services without fail and to the highest possible standard
- **Responsiveness** – our ability to quickly and effectively respond to our customers' needs and take the best course of action in any circumstance
- **Resilience** – making sure our business and assets can cope with extreme conditions (e.g. flooding, drought or global financial uncertainty)
- **Sustainability** – ensuring long-term benefits for our region's people, economy and environment.

#### Government and regulators

The water industry regulator Ofwat recently set out its four key priorities for the period 2020-2025. All companies have been challenged to work with their customers to put together plans with these principles at their core:

- **Great customer service** – starting with an in-depth understanding of customer preferences and priorities and a plan that involves them – through 'co-creation' in the development and delivery of services.
- **Affordable bills** - water and wastewater services that are affordable to customers. This means affordable overall, in the long term and for those struggling, or at risk of struggling, to pay.
- **Resilience in the round** - customers expect reliable water and wastewater services delivered through infrastructure that is unaffected by, or can quickly recover from, disruption. They also expect timely and accurate information and a business supported by effective systems, processes, governance and organisational capabilities. Furthermore, they expect the finances of every business to have a robust balance sheet, cash flows and financing. All these factors will ensure 'resilience in the round'.
- **Innovation** - innovation must be at the core of every company to deliver long-term resilience, great customer service and affordable outcomes.



NOVEMBER 2016 – MARCH 2018

## Engagement

### Development of five-year priorities with customers and stakeholders

#### 1. Focus groups discussing priorities, service levels, risks, customer service and performance commitments

Over 50 focus groups were held across our region (including Truro, Exeter, Penzance, Bodmin, Plymouth, Christchurch, Bournemouth, Ringwood, Barnstaple, Newton Abbot, Poole, Axminster, Launceston, Newquay, Helston).

#### Priorities:

- Safe water supply
- Protecting bathing waters
- Prevent pollution.

#### 2. Surveys

Our surveys contained approximately 11,000 discussion topics such as priorities and preferences, willingness to pay, water resources, protecting customers in vulnerable circumstances and providing support for long-term affordable investment in services.

#### 3. Choose your WaterFuture

As well as using focus groups and more traditional surveys to engage with our customers we introduced an innovative, interactive, personalised video to engage on our long term water resources planning. The tool enabled us to present options along with risks and service levels and seek customer views. Over 7,000 customers completed the tool. All the feedback has been used to inform our proposals.



#### 4. Out and about

In addition, we have taken every opportunity to engage with our customers and stakeholders at events right across our region. This has included:

- Face-to-face engagement campaigns
- Presence at shows and events throughout the region, for example the Royal Cornwall Show
- Videos with customers, replayed through digital channels and social media
- Future customer workshops – to engage with the bill payers of the future and gain their input as to how services should be delivered
- Stakeholder workshops – a series of workshops with stakeholders to fully explore their priorities and expectations
- Engagement with retailers – following the opening of the competitive non-household retail market.



WE ARE HERE

MARCH 2018

## Publication

### WaterFuture: Proposals and Choices 2020-2025



## NEXT STEPS

MARCH – MAY 2018

### Consultation

### Five-year Proposals and Choices

SEPTEMBER 2018

### Publication

### Five-year Business Plan

DECEMBER 2019

### Ofwat Publication

### Five-year Business Plan Final Determination

WHAT  
MATTERS  
MOST

Top 3 priorities for household customers

1

Safe water  
supply



2

Bathing  
waters



3

Prevent  
pollution



## Customer priorities

4	Sewer resilience in extreme conditions
5	Reduce sewer flooding
6	Water supply resilience in extreme conditions
7	Leakage control
8	Avoid supply interruptions
9	Responsiveness to service problems
10	Avoid water resource restrictions
11	Customer contact excellence
12	Minimise odour from wastewater treatment works
13	Reduce energy consumption
14	Catchment management
15	Habitats
16	Smart metering
17	Education on water saving and sewer usage
18	Compulsory metering

92% of our customers are satisfied with overall service

70% of South West Water customers trust us

## Key findings

Our customers' top priority continues to be a safe and clean drinking water supply.

Protecting bathing waters and preventing pollution are also viewed as high priorities. Customers expect us to meet our legislative requirements and also ensure we meet their performance expectations in these areas.

## Delivering outcomes for customers

The next section of this document focuses on how our customers priorities are reflected across the eight key outcome areas.

We outline the investments we propose to make in each area, the impact those investments would have on bills, and the performance commitments we will be applying to ensure that progress against our targets is both measurable and transparent.

The targets we will set ourselves will be stretching and will drive real improvements in those services that our customers and stakeholders value most. If we were to fail to meet those stretching targets we would face financial and reputational penalties from our regulators. It is of course our intention not only to meet such targets, but to exceed them wherever possible to ensure the maximum benefits for customers, stakeholders, investors and the wider regional economy.

To see how our investments will be delivered right across our region see our map on pages 48 and 49.

For more information, see supporting documents:

[Affordability report](#)

[Our Vision 2020–2050](#)



CLEAN, SAFE AND RELIABLE SUPPLY OF DRINKING WATER

## OUR CUSTOMERS' PRIORITIES

1

Safe water supply

8

Avoid supply interruptions

"Water is essential for your health."

We expect all our customers to be able to enjoy an uninterrupted supply of fresh, clean water that not only meets the highest water quality standards but is also free from any unwanted taste, colour or smell.

### TO DATE

#### DELIVERING

Our compliance with UK water quality standards is amongst the best in the industry.

Our leading edge Mayflower water treatment works is nearing completion with commissioning due to start later this year.

We continue to drive down the number of complaints we receive about the appearance, taste or smell of our drinking water.

#### CHALLENGES

- ▶ Raw water quality in our catchments can be affected by contaminants from human and animal activity (e.g. pesticides, agricultural run-off).
- ▶ 90% of the water we source in Devon and Cornwall comes from moorland or lowland catchments. This compounds our taste and smell challenges.
- ▶ Water pressure in our region is among the highest in the industry due to the region's hilly topography. This requires careful management to minimise leaks, bursts and interruptions.

CASE STUDY



#### Mayflower Water Treatment Works

– please see our Innovation report for further details



#### PERFORMANCE COMMITMENTS (measured on an annual basis)

#### CURRENT PERFORMANCE

Compliance with water quality standard (Compliance Risk Index score)	→ 2.666
Duration of interruptions in supply (minutes per property)	→ 11
Number of mains bursts (number)	→ 2,758
Unplanned outage at water treatment works (%)	→ New measure
Taste, smell and colour contacts (no./1,000 population)	→ 2.3
Smart networks (number of smart meters on the network)	→ New measure



"Having clean water is so important for us to function as a society."

"The most important thing is to know our water is safe every time we turn the tap on."

2020-2025

## MOVING FORWARD

To continue to provide top quality drinking water and further minimise taste, smell and colour issues we will:

- Carry out upgrades to our water treatment works in Stithians, Prewley, Littlehempston, Liskeard and Lostwithiel
- Update or replace the water treatment works in the Bournemouth area
- Continue our programme of catchment management schemes to benefit the wider environment and improve the quality of water we treat
- Work with our supply chain to seek out innovative ways to maintain and clean our above-ground assets and network of pipes.

To prevent interruptions to our customers' water supply we will:

- Continue our programme of water mains refurbishment and replacement
- Increase our use of intelligent control systems and real-time monitoring to control our network, resolving issues before service is affected

- Develop our computer modelling capability to provide early warning of problems to allow us to take immediate action
- Embrace innovation and work with local businesses and partner organisations to find new ways of detecting and repairing leaks and bursts
- Enhance our ability to react and respond to recover services on those occasions when things do go wrong
- Deliver a more resilient service by duplicating or linking sections of our network of pipes that serve isolated rural communities
- Ensure our service delivery is consistent regardless of when our customers call on us
- Increase the application of innovative pressure management techniques to reduce stress on the network and drive down leakage and supply interruptions.

For more information, see supporting report:

[Innovation report](#)



### TARGETING IN 2025

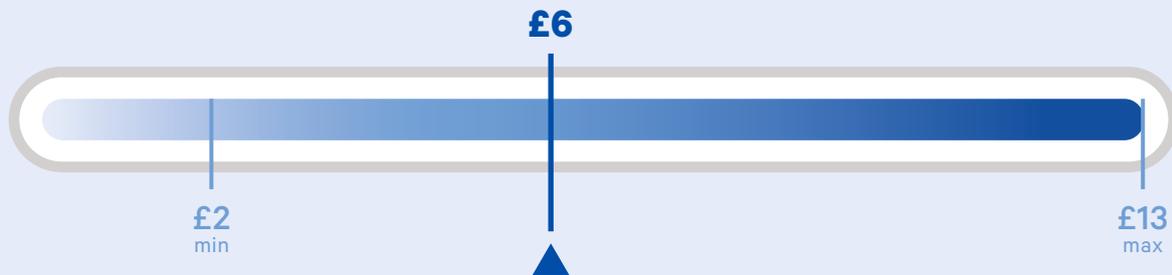
### VISION FOR 2050

→	Upper quartile	→	Industry leading
→	Upper quartile	→	Industry leading
→	>15% reduction	→	Industry leading
→	Upper quartile	→	Industry leading
→	1.2	→	Approaching zero
→	Measure yet to be fully defined	→	To be confirmed

2020-2025

OUR PROPOSALS

WHAT THIS WILL MEAN FOR BILLS



**£2**

**Ongoing**

- Maintain the network and our treatment works to meet tight regulatory standards around drinking water quality
- Continue to drive improvements in the way water looks, smells and tastes
- Continue to maintain our network and service levels through investment in our assets
- Embrace innovation and work with local businesses and partner organisations to find new ways of detecting and repairing leaks and bursts
- Continue our programme of catchment management schemes to benefit the wider environment and improve the quality of water we treat
- Ensure our service delivery is consistent regardless of when our customers call on us
- Work with our supply chain to seek out innovative ways to maintain and clean our above-ground assets and network of pipes
- Continue our programme of water mains refurbishment and replacement
- Develop our computer modelling capability to provide early warning of problems.

**£2 – £6**

**Additional investments we are proposing (2020–2025)**

- Replace water mains that present a higher risk of bursting, to prevent disruption across the region
- Increase the application of innovative pressure management techniques to reduce stress on the network and drive down leakage and supply interruptions
- Carry out upgrades to our water treatment works in Stithians, Prewley, Littlehempston, Liskeard and Lostwithiel
- Enhance our ability to react and respond to recover services on those occasions when things do go wrong
- Update or replace the water treatment works in the Bournemouth area
- Increase our use of intelligent control systems and real-time monitoring to control our network, resolving issues before service is affected
- Deploy advanced treatment technologies to ensure water quality is maintained as efficiently as possible
- Increase the remote control and automation of our treatment and network operations.

**£6 – £13**

**Other improvements that could be done sooner**

- Enhanced programme of mains replacement to reduce chemical dosing needed with some of our older pipes
- Accelerate the roll out of smart technologies to drive interruptions and leakage down further
- Increased level of pressure management investment to protect the network further
- Link sections of our network to provide a water grid covering large areas of our region
- Increase deployment of advanced treatment technologies
- Accelerate use of automation and remote control technology.

For more information, see supporting reports:

[Resilience report](#) 

[Innovation report](#) 

[Performance report](#) 



**We will continue to pioneer new and innovative ways to ensure high-quality drinking water for future generations.**

Bob Taylor  
Operations Director,  
Drinking Water Services,  
South West Water



**WHAT ARE YOUR VIEWS?**

See our 'Have your say' section on page 51 or visit [www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



**OUR CUSTOMERS' PRIORITIES**

5

Reduce sewer flooding

12

Minimise odour from wastewater treatment works

"We need to be sure wastewater is being treated to a high standard."

**Ensuring our customers can rely on us to remove wastewater safely and efficiently, and minimising the likelihood of sewer flooding affecting homes and businesses.**

**TO DATE**

**DELIVERING**

**Very few properties in the region are now at risk of sewer flooding thanks to our investment since privatisation.**

**Recent changes in the way we operate are helping improve investigation and response times.**

CASE STUDY



**Downstream Thinking**

– please see our Resilience report for further details



**CHALLENGES**

- ▶ Climate change is expected to increase the intensity of rainfall. As a significant proportion of our sewers are combined – taking wastewater from homes and businesses along with surface water from highways and public drains – this increases the demand placed on our wastewater network and assets.
- ▶ The population of our region is expected to increase significantly and we also have a large number of seasonal visitors which places additional pressure on the network.
- ▶ Every year South West Water's wastewater team deals with around 8,500 blocked sewers across Devon and Cornwall, costing about £4.5m to resolve.

\* South West Water only

**PERFORMANCE COMMITMENTS** (measured on an annual basis)

**CURRENT PERFORMANCE**

Internal sewer flooding incidents (number)	→ 165
External sewer flooding incidents (number)	→ 3,504
Sewer collapses (number)	→ 335
Sewer blockages (number)	→ 8,442
Odour contacts from wastewater treatment works (number)	→ 278
Smart networks (number of smart meters on the network)	→ New measure
Numeric compliance (%)	→ 98.4
Descriptive compliance (%)	→ 99.4
Total wastewater treatment works compliance (%)	→ New measure
Compliance with sludge standard (%)	→ 100



"Will bathing water quality standards drop when we leave the EU?"

"Advice on what or what not to put down your loo, pee paper and poo? I will be telling my kids that."

2020-2025

## MOVING FORWARD

To prevent sewer flooding of homes, businesses, public spaces and roads we will:

- Repair and refurbish those areas of the sewer network most in need of improvement
- Carry out targeted, proactive maintenance on the remainder of the network to ensure capacity and integrity is maintained
- Expand our Downstream Thinking initiatives to prevent surface water entering our sewer network
- Carry out intense sewer cleansing in those areas most susceptible to blockages
- Carry out sewer separation work at those sites most at risk of impacting the environment or of failure during extreme weather events
- Improve surface water drainage in key areas including Camborne and Redruth, Torbay, Plymouth and Exeter in order to prevent flooding and reduce the burden placed on sewers during periods of heavy rainfall
- Continue to partner with local authorities and regulators on sustainable, resilient solutions

- Upgrade and enhance sewers to cope with population growth and extreme weather events
- Invest in additional innovative remote sensing and monitoring technologies to allow us to respond to issues at the earliest opportunity.

To prevent odour issues from the treatment and disposal of wastewater we will:

- Invest in new and innovative processes to control odour at wastewater treatment works
- Increase maintenance investment to improve sludge product quality and reduce odours.

To ensure our treatment processes are able to cope with additional pressures we will:

- Upgrade or replace our treatment processes, taking advantage of new and innovative technologies
- Protect our larger treatment works in coastal locations from damage from saline intrusion (Looe, Newton Ferrers and Salcombe).

For more information, see supporting report:

Resilience report



### TARGETING IN 2025

- Upper quartile
- <2,000
- 249
- <7,000
- 196
- Measure yet to be fully defined
- 100
- 100
- 100
- 100

### VISION FOR 2050

- Approaching zero
- Approaching zero
- Industry leading
- Industry leading
- Approaching zero
- To be confirmed
- 100
- 100
- 100
- 100

2020-2025

OUR PROPOSALS

WHAT THIS WILL MEAN FOR BILLS



**£1**

**Ongoing**

- Targeted sewer cleansing, focusing on those areas most susceptible to blockages
- Refurbishment and replacement of critical sewers
- Continuing our customer engagement ‘Love Your Loo’ and ‘Think Sink’ campaigns to educate and inform our customers
- Installation of odour mapping equipment at larger sites to inform future investment
- Accommodate local housing development needs
- Ensure our service delivery is consistent regardless of when our customers call on us
- Continue to partner with local authorities and regulators on sustainable, resilient solutions.

**£1 – £5**

**Additional investments we are proposing (2020–2025)**

- Upgrade and enhance sewers to cope with population growth and heavy rain
- Further upgrade and refurbishment of odour control systems

- Investment to prevent erosion to sewers from seawater at key coastal locations
- Increase maintenance investment to improve sludge product quality and reduce odours
- Upgrade or replace our treatment processes, taking advantage of new and innovative technologies
- Protect our larger treatment works in coastal locations from damage from saline intrusion (Looe, Newton Ferrers and Salcombe)
- Expand our Downstream Thinking initiatives to prevent surface water entering our sewer network
- Carry out sewer separation work at those sites most at risk of impacting the environment or of failure during extreme weather events
- Improve surface water drainage in key areas including Camborne and Redruth, Torbay, Plymouth and Exeter in order to prevent flooding and reduce the burden placed on sewers during periods of heavy rainfall

- Upgrade and enhance sewers to cope with population growth and extreme weather events
- Invest in additional innovative remote sensing and monitoring technologies to allow us to respond to issues at the earliest opportunity
- Enhance our ability to react and respond to recover services on those occasions when things do go wrong.

**£5 – £11**

**Other improvements that could be done sooner**

- Extend investment to prevent erosion at sewer sites at risk of damage from seawater
- Additional condition assessment and introduction of system optimisation for critical sewers
- Replace obsolete treatment plant with new, more innovative treatment methods earlier
- Targeted investment to improve the condition and performance of 5,000km of recently adopted sewers
- Accelerate our programme of remote sensing and monitoring to cover more of our network.

\* South West Water only



**Our customers continue to tell us how much they value a reliable wastewater service. We want to ensure that they, and those who visit our unique peninsula, are never impacted by any wastewater issue.**

Ed Mitchell  
Director of Wastewater,  
South West Water



#### WHAT ARE YOUR VIEWS?

See our 'Have your say' section on page 51 or visit [www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



**OUR CUSTOMERS' PRIORITIES**



"I just want to turn on the tap and know that water will be there for me."

**Avoiding restrictions on the water our customers use while managing and delivering the region's supplies as efficiently as possible.**

**TO DATE**

**DELIVERING**

**We have avoided the need for water restrictions for 21 consecutive years.\***

**Meeting our leakage targets every year since they were introduced.**

**We have continued to deliver our award-winning programme of catchment management initiatives targeting improved water quality, using ecologically beneficial, low-cost measures.**

**CHALLENGES**

- ▶ Significant population growth and housebuilding forecast for our region.
- ▶ Ever increasing number of seasonal visitors resulting in increased demand.
- ▶ Extreme weather events, with an increased frequency of drought and flood events.

**CASE STUDY**

**Wimborne duplicate main**  
– please see our Resilience report for further details

**CASE STUDY**

**Lidar leak detection**  
– please see our Innovation report for further details



\* South West Water only

**PERFORMANCE COMMITMENTS (measured on an annual basis)      CURRENT PERFORMANCE**

Water restrictions placed on customers (number)	→ Zero
Leakage levels (megalitres/day) (combined SWW/BW figure)	→ 101



"I would like more information on how to save water."

"Water is a vital part of any business and we rely on the companies to deliver this service so our business can run effectively."

2020-2025

### MOVING FORWARD

To tackle leakage and maintain our industry leading leakage management record we will:

- Target a further 15% reduction in leakage both on our network and at customers' properties<sup>1</sup>
- Improve those areas of the mains network most in need of refurbishment
- Manage network pressure to reduce the risk of leaks and bursts occurring
- Continue to develop and improve our monitoring capability to provide early warning of problems
- Ensure all visible leaks are repaired quickly and efficiently
- Take advantage of innovation to find new ways of identifying leaks such as drone and satellite technology (LIDAR)
- Work with developers to encourage the installation of water efficiency devices in new homes
- Expand the roll-out of smart water meters in the South West to help spot leakage and allow customers to budget.

To make the best use of our water resources and ensure the cost of supply is as low as possible we will:

- Increase the connectivity of the pipe network in our region
- Seek opportunities to improve connectivity across the wider region, helping protect supplies for isolated rural communities
- Ensure that we maintain our current water resource surplus and understand opportunities to share water with neighbouring companies
- Expand investment in our Upstream Thinking catchment management initiatives to improve water storage at source
- Introduce grey water recycling at our larger wastewater sites to reduce our own consumption of water
- Carry out stress testing to ensure that we are able to deploy all available resources under any conditions
- Expand our innovative incentivisation and education initiatives to help customers become more water efficient.

For more information, see supporting report:

[Resilience report](#)



<sup>1</sup> Leakage reduction of 15% is a stretch target, this differs from the 8% quoted in our Water Resources Management Plan which is based on the long term supply demand position.

### TARGETING IN 2025



Zero



15% reduction

### VISION FOR 2050



Zero



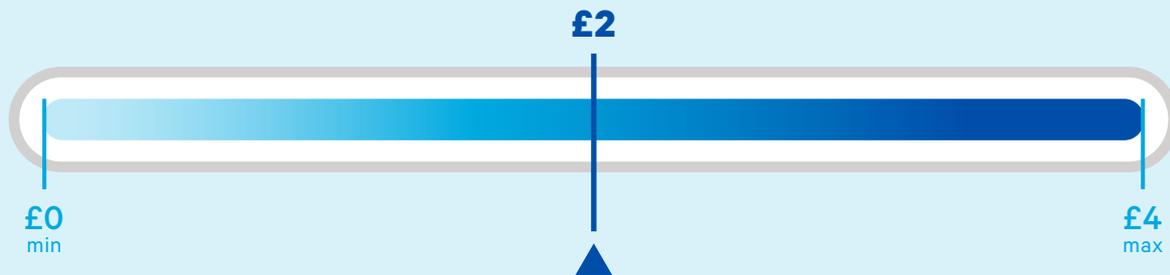
Industry leading

## AVAILABLE AND SUFFICIENT RESOURCES

2020-2025

### OUR PROPOSALS

#### WHAT THIS WILL MEAN FOR BILLS



#### £0

##### Ongoing

- Proactively undertake leakage detection activities to hold leakage levels stable
- Continue to encourage optional meter uptake
- Introduce grey water recycling initiatives at our larger wastewater sites – to reduce our own consumption of water
- Continue to manage pressure on our network to reduce leakage
- Continue campaigns to educate customers on water efficiency and encourage them to switch to a meter
- Metering campaigns to continue targeted meter penetration
- Make water saving devices available to customers.

#### £0 – £2

##### Additional investments we are proposing (2020–2025)

- Target a 15% reduction in leakage both in our network and at customers' properties
- Expand our innovative incentivisation and education initiatives to help customers become more water efficient
- Embrace innovative approaches in leak detection and repair taking advantage of industry best practice
- Expand the roll-out of smart water meters to help spot leakage and allow customers to budget
- Continue to develop and improve our monitoring capability to provide early warning of problems
- Ensure that we maintain our current surplus and understand opportunities to share water with neighbouring companies
- Expand investment in our Upstream Thinking catchment management initiatives
- Introduce grey water recycling at our larger wastewater sites to reduce our own consumption of water
- Carry out stress testing to ensure that we are able to deploy all available resources under any conditions.

#### £2 – £4

##### Other improvements that could be done sooner

- Reduce leakage by more than 15%
- Accelerate smart metering programmes within the South West region
- Introduce smart water meters in the Bournemouth region, which will help spot leakage and allow customers to budget
- Extend grey water recycling at all our wastewater treatment works and key sites to reduce our own consumption
- Look to move more surplus water around the wider South West region to ensure we are resilient to drought.

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



**A resilient supply of water is vital to UK industry and the wider economy. The UK water industry is faced with the effects of a changing climate, growth in population, worldwide financial uncertainty, increasing environmental standards and increasing customer expectations.**

Iain Vosper  
Regulatory Director  
South West Water



#### WHAT ARE YOUR VIEWS?

See our 'Have your say' section on page 51 or visit [www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



## OUR CUSTOMERS' PRIORITIES

4

Sewer resilience in extreme conditions

6

Water supply resilience in extreme conditions

"How do you plan to spread cost over generations?"

**Our vision is for a business that is resilient to threats, shocks and external pressures, whatever the source.**

### TO DATE

#### DELIVERING

**We continue to assess risk in the round to ensure that we are able to structure our business and deliver our services in a safe, responsible, resilient and sustainable manner.**

**We have had no major security or data security breaches and we continue to upgrade and review our security measures.**

#### CHALLENGES

- ▶ Extreme weather events, ranging from intense rainfall to drought, are forecast to become more frequent.
- ▶ Many of our assets are located in areas where there is a flood risk (e.g. coastal locations, estuaries and river flood plains).
- ▶ Security threats such as cyber terrorism are becoming increasingly sophisticated.
- ▶ Studies suggest that unless action is taken we are going to be short of the skills needed for the future within our industry.

CASE STUDY



**Cyber security**  
– please see our Resilience report for further details



CASE STUDY



**River Exe / Countess Wear**  
– please see our Resilience report for further details

#### PERFORMANCE COMMITMENTS (measured on an annual basis)

#### CURRENT PERFORMANCE

Drought risk (% of the population that would experience severe supply restrictions in a 1 in 200 year drought)

→ New measure

Flooding risk (% of population at risk of sewer flooding in 1 in a 50 year storm)

→ New measure

Resilience in the round – wastewater

→ New measure

Resilience in the round – water

→ New measure



"What about security, how are we protected?"

"If we don't have the storage where do we get our water from if the rivers are low?"

2020-2025

## MOVING FORWARD

### To maintain services even in extreme weather conditions we will:

- Put measures in place to limit the impact of climate change on our assets
- Target investment in the reinforcement and interconnectivity of our water distribution network
- Keep our workforce safe at all times and in all circumstances
- Replace and upgrade the ageing water treatment works in Bournemouth with a new state of the art facility.

### To ensure we remain well protected from security threats we will:

- Enhance the security arrangements for our sites in line with industry best practice
- Upgrade our computer systems' security protection and monitoring arrangements
- Work with other agencies to coordinate our security and emergency planning activities
- Test our capability to respond to extreme events.

### To ensure we have a sustainable workforce for the future we will:

- Invest in the future of the sector to meet the challenges of a predicted sector skills gap
- Expand our academic partnerships and award-winning apprenticeships
- Provide the safest possible working environment for all our staff
- Ensure our service delivery is consistent regardless of when our customers call on us
- Build on our existing relationships with our partners to ensure we have resilience throughout our supply chain.

For more information, see supporting report:

[Resilience report](#)



## TARGETING IN 2025

## VISION FOR 2050



Measure yet to be fully defined



Industry leading



Measure yet to be fully defined



Industry leading



Measure yet to be fully defined



To be confirmed



Measure yet to be fully defined

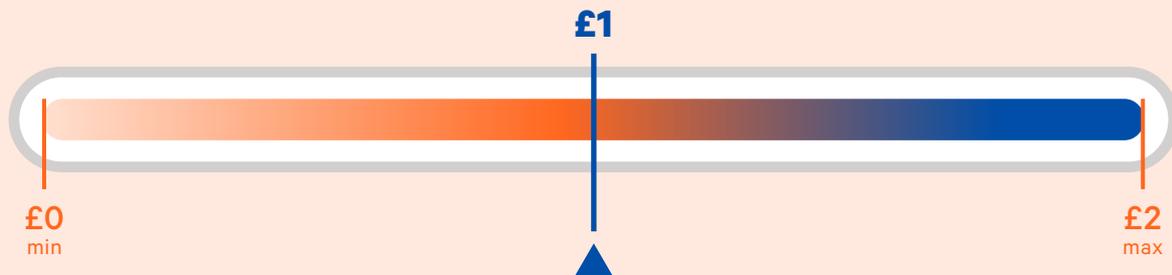


To be confirmed

2020-2025

OUR PROPOSALS

WHAT THIS WILL MEAN FOR BILLS



**£0**

**Ongoing**

- Protecting against cyber crime
- Maintain our health and safety support systems
- Invest in our people to ensure they have the skills and capabilities for the future
- Analysing and modelling future customer demand for water and available supplies given changes to weather patterns
- Put measures in place to limit the impact of climate change on our assets
- Ensure our service delivery is consistent regardless of when our customers call on us
- Enhance the security arrangements for our sites in line with industry best practice
- Work with other agencies to coordinate our security and emergency planning activities.

**£0 – £1**

**Additional investments we are proposing (2020–2025)**

- Stress testing our people, processes and assets to ensure they remain resilient
- Ensuring robust flood protection measures are in place at high-risk sites
- Replacing and upgrading the ageing water treatment works with a new state of the art facility in Bournemouth
- Enhance the resilience of our service delivery by investing in our people, systems and business processes
- Invest in the reinforcement and interconnectivity of our water distribution network to reduce interruptions to customer supplies
- Work in partnership with the Environment Agency and Local Flood Authorities to improve flood defences for communities most at risk
- Accelerate investment in our IT systems and infrastructure to protect against cyber security threats
- Target investment in reinforcement and interconnectivity of our water distribution network

- Upgrade our computer systems’ security protection and monitoring arrangements.

**£1 – £2**

**Other improvements that could be done sooner**

- Extending our water grid around the region to introduce flexibility and resilience to drought
- Improve interconnectivity and capacity in our network to reduce the number of customers that can only be supplied by one source
- Reducing instances where the network crosses other infrastructure such as railways which can present a higher risk to service.

For more information, see supporting reports:

[Resilience report](#) 

[Innovation report](#) 



**South West Water considers resilience in the round and understands the financial, corporate, environmental and operational risks it faces, and the consequences of those risks being realised. This places an obligation on the business to ensure the right skills, leadership, systems, processes and infrastructure are in place to support the delivery of a robust, affordable and reliable service to our customers.**

Dr Stephen Bird  
Managing Director,  
South West Water

#### WHAT ARE YOUR VIEWS?

See our 'Have your say' section on page 51 or visit  
[www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)



For more information, see supporting reports:

Resilience report



Innovation report





## OUR CUSTOMERS' PRIORITIES

9

Responsiveness to service problems

11

Customer contact excellence

"I want clear information when there is an issue with my supply."

We will provide responsive, innovative and cost-effective services to ensure the delivery of consistent levels of service to customers whenever they contact us.

### TO DATE

#### DELIVERING

Significant improvement in our customer satisfaction rate over the last five years.

Improved online communications including online accounts, social media and smartphone/tablet friendly services and apps (BeachLive, InYourArea, MyAccount).\*

More than 80% of customers now metered.

Involving customers in designing customer journeys to improve satisfaction with the services we deliver.

#### CHALLENGES

- ▶ Rising expectations. Perceptions of what companies should offer are affected by factors such as social trends and improvements in technology.



CASE STUDY

Customer leakage co-creation workshops



CASE STUDY

Love Your Loo

– please see our Resilience report for further details



\* South West Water only

### PERFORMANCE COMMITMENTS (measured on an annual basis)

### CURRENT PERFORMANCE

Customer measure of experience (C-MeX)	→	New measure
Operational contacts resolved first time – water (%)	→	95.5
Operational contacts resolved first time – wastewater (%)	→	89.9
Developer services measure of experience (D-MeX)	→	New measure
Customer overall satisfaction (%)	→	92
Customer satisfaction with value for money (%)	→	67
Raise awareness of the Priority Service Register (PSR)	→	New measure
Increase number of Priority Services customer details checked every two years	→	New measure
Number of customers on the Priority Services Register (number)	→	New measure
Overall satisfaction of services received on the Priority Services Register (%)	→	New measure



"Customers should be the priority."

"I'm a paying customer so I expect a certain service and I will complain when it goes wrong."

"Make it easier to report leaks."

2020-2025

## MOVING FORWARD

To ensure that we continue to meet the needs and expectations of our customers we will:

- Invest in our people and systems to ensure customers receive a service that is friendly, accessible and tailored to their needs
- Expand our work with partners in the community to improve our response when issues such as supply interruptions arise
- Increase engagement with our customers to include them in the design of the services that matter most to them
- Work to prevent any issues with the services our customers rely on and resolve all customer issues quickly and efficiently
- Extend our range of communication channels so that customers can contact us how and when they want to
- Replace our current meters with meters that can be automatically read enabling us to identify leaks and help customers to understand their own usage
- Ensure our service delivery is consistent regardless of when our customers call on us
- Increase engagement with customers regarding the services they receive to help them understand how they can influence future bills by using water more efficiently and taking care of what is disposed of in our sewer network
- Continue to work with developers and retailers to improve our service offering and support growth in the region.

For more information, see supporting report:

[Innovation report](#)



TARGETING IN 2025		VISION FOR 2050	
→	Upper quartile	→	Industry leading
→	≥95	→	100
→	≥95	→	100
→	Upper quartile	→	Industry leading
→	93	→	Approaching 100
→	75	→	Industry leading
→	Upper quartile	→	Industry leading
→	100	→	100
→	Upper quartile	→	Industry leading
→	93	→	100

2020-2025

OUR PROPOSALS

WHAT THIS WILL MEAN FOR BILLS



£0

Ongoing

- Maintain our billing and customer relationship management systems
- Continue to work with customers to update and refine the services we deliver
- Continue to track satisfaction with our services to ensure we remain fully aware of customer expectations
- Ensure our service delivery is consistent regardless of when our customers call on us
- Work to prevent any issues with the services our customers rely on and resolve all customer issues quickly and efficiently
- Continue to work with developers and retailers to improve our service offering and support growth in the region.

£0 – £1

Additional investments we are proposing (2020–2025)

- Invest in our people and systems to ensure customers receive a service that is friendly, accessible and tailored to their needs
- Replace our current meters with meters that can be automatically read enabling us to identify customer leaks and help customers understand their own usage
- Expand our work with partners in the community to improve our response when issues such as supply interruptions arise
- Increase engagement with our customers to include them in the design of the services that matter most to them
- Increase engagement with customers regarding the services they receive to help them understand how they can influence future bills by using water more efficiently and taking care of what is disposed of in our sewer network
- Extend our range of communication channels so customers can contact us how and when they want.

£1

Other improvements that could be done sooner

- Accelerate the replacement of older meters with new technologies
- Invest in leading-edge technologies such as artificial intelligence to further automate transactions with our customers
- Accelerate our customer engagement programme, to deliver initiatives such as ‘Love Your Loo’ and water efficiency customer incentivisation schemes across the region.

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



**Our customers have told us that a great customer experience is the absence of any problem. If there is an issue, they want to be able to contact us easily and for the problem to be resolved efficiently and effectively.**

Jo Ecroyd  
Customer Service Director,  
South West Water



**WHAT ARE YOUR VIEWS?**

See our 'Have your say' section on page 51 or visit [www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



**OUR CUSTOMERS' PRIORITIES**



**Our customers attach a high importance to the environment and they expect us to protect it at all times. Through the implementation of environmentally sustainable actions and initiatives we aim to be an industry leader in protecting the environment.**



**CASE STUDY**

**Upstream Thinking**

– please see our Resilience report for further details



**TO DATE**

**DELIVERING**

**A marked increase in the number of compliant wastewater treatment works was achieved in 2016, following a programme of focused improvements undertaken over the year.**

**Through our award-winning ‘Upstream Thinking’ programme of catchment management we are improving areas of moorland and farmland to help enhance the quality of the water we source and better manage how it runs off the landscape.**

**Increased usage of renewable energy through a combination of hydro power, Combined Heat and Power (CHP), solar and wind.**

**Targeting additional investment to reduce pollutions in order to outperform our current commitments.**

**CHALLENGES**

- ▶ Extreme weather can increase the likelihood of a pollution incident occurring due to the pressure placed on our assets and network.
- ▶ Agricultural and industrial practices can affect the quality of the water we source (e.g. agri-chemicals and slurry from farms).
- ▶ In a hilly region with many dispersed communities a lot of energy is required to move water around.

**PERFORMANCE COMMITMENTS** (measured on an annual basis)

**CURRENT PERFORMANCE**

Number of pollution incidents cat 1-3 – waste (number)	→ 179
Number of pollution incidents cat 1-3 – water (number)	→ 7
Biodiversity – compliance	→ New measure
Biodiversity – monitoring	→ New measure
Biodiversity – enhancement	→ New measure



"Companies should look into ways they can save energy and reduce their carbon footprint."

"Conservation needs to be a priority as we need to take care of what we have so we still have the resource in the future".

2020-2025

## MOVING FORWARD

### To prevent pollution we will:

- Expand our catchment management initiatives by working with farmers and other key stakeholders to benefit the wider environment
- Put measures in place to limit the impact of climate change on our assets. This includes steps to control the amount of saline entering our waste network as a result of sea level rises and storm surges in places like Salcombe, Fowey, Falmouth and Plymouth
- Continue to separate surface water drainage from our sewers to free up capacity and prevent overloading of the system
- Reduce the frequency at which our stormwater overflows are required to operate
- Extend the removal of pollutants from treated wastewater to support more rivers achieving good ecological status.

### To reduce our carbon footprint we will:

- Increase the proportion of energy we use from renewable sources including CHP, solar and hydro generation
- Continue to find ever more innovative ways to save, create and store energy. For example we are trialling the use of battery storage solutions on some of our sites

- Upgrade aged process technologies to ensure we use less energy and reduce carbon in our operations.

### To enhance our environment we will:

- Continue to protect and develop new and existing habitats for our diverse range of flora and fauna
- Provide a wide range of conservation activities for our customers to enjoy such as sponsored river walks
- Build on our existing relationships with key stakeholders including the Wildlife Trust, West Country Rivers Trust and South West Lakes Trust
- Continue to tackle invasive non-native species (INNS) such as Japanese knotweed and the Asian hornet
- Invest in sludge treatment processes to replace ageing equipment, produce a better quality product for recycling and explore the options from the new markets in this area.

For more information, see supporting report:

[Resilience report](#)



## TARGETING IN 2025

- Upper quartile
- Zero
- Measure yet to be fully defined
- Measure yet to be fully defined
- Measure yet to be fully defined

## VISION FOR 2050

- Industry leading
- Zero
- To be confirmed
- To be confirmed
- To be confirmed

2020-2025

OUR PROPOSALS

WHAT THIS WILL MEAN FOR BILLS



**£4**

**Ongoing**

- Continue to reduce pollution to rivers by reducing blockages in sewers\*
- Prevent deterioration of river water quality by ensuring that pollutants and micro-pollutants are removed from treated wastewater that is then returned to rivers\*
- Maintain and improve the quality of water in rivers by working with farmers to prevent agri-chemicals and slurry entering watercourses
- Continue to meet our legal obligations around protecting wildlife and habitats.

**£4 – £11**

**Additional investments we are proposing (2020–2025)**

- Monitor and reduce the operation of stormwater overflows across the wastewater network\*
- Extend the removal of pollutants from treated wastewater to support more rivers achieving good ecological status\*
- Upgrade aged process technologies to ensure we use less energy and reduce carbon
- Invest in sludge treatment processes to produce a better quality product for recycling\*
- Extend our programme of removing invasive non-native species from reservoirs, rivers and riverbanks
- Add additional screening to minimise microplastics in sewage from entering the water environment\*
- Continue to protect and develop new and existing habitats
- Expand our catchment management to benefit the wider environment
- Put measures in place to limit the impact of climate change on our assets. This includes steps to control the amount of saline water entering our waste network.

**£11 – £26**

**Other improvements that could be done sooner**

- Introduce renewable energy schemes across our sites, including hydro generation and floating solar panels on reservoirs
- More investment in sludge treatment assets to further increase renewable energy\*
- Extensive land management to enhance biodiversity and recreation
- Increase investment in innovative energy storage solutions such as battery storage.

For more information, see supporting reports:

Resilience report

Innovation report

Performance report

\* South West Water only



**Our customers attach a high importance to the environment and they expect us to protect it at all times. Our aim is to be an industry leader in protecting the environment through sustainable actions and initiatives.**

Rob Scarrott  
Head of Environment and Upstream Markets,  
South West Water



**WHAT ARE YOUR VIEWS?**

See our 'Have your say' section on page 51 or visit [www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)



For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



BENEFITING THE COMMUNITY

### OUR CUSTOMERS' PRIORITIES

2

Bathing waters

17

Education on water saving and sewer usage

"There should be more education available such as how to help save water."

Sustainably improving services while having a positive impact on the communities we serve, the economy of our region and the people we employ.

#### TO DATE

#### DELIVERING

South West Water helped deliver best ever bathing water quality results against more stringent EU standards during 2016 (vital to the region's tourism economy).

We have strong links with the region's educational establishments to help improve skills in areas such as engineering, science and mathematics.

We continue to support access and recreation around our region's lakes and waterways through the South West Lakes Trust.

#### CHALLENGES

- ▶ Ensuring we have sufficient skilled employees for our long-term business needs.
- ▶ Bathing water quality is dependent on a wide range of factors. Our work continues, alongside partners including local councils, community groups, landowners and conservationists, to protect and enhance bathing water quality in an holistic and sustainable way.
- ▶ The need for more public awareness about the extent and complexity of our activities.

CASE STUDY



University Technical College  
– please see our Innovation report for further details



#### PERFORMANCE COMMITMENTS (measured on an annual basis)

Bathing water quality (number of failing bathing waters due to SWW assets)

Abstraction incentive mechanism

#### CURRENT PERFORMANCE

→ Zero

→ New measure



"A lot of people in the South West rely on leisure facilities for a living. Beaches, lakes and reservoirs need to be maintained."

"Protecting our coastline is important - keeping the sea as clean as possible."

2020-2025

## MOVING FORWARD

### To support the region's tourism and shellfish industries we will:

- Separate surface water drainage from our sewers to reduce the operation of stormwater overflows during extreme wet weather events\*
- Increase the frequency of sewer cleansing activities to further reduce the risk of sewer blockages\*
- Continue to invest in our wastewater treatment assets and networks\*
- Increase the frequency of inspection of sea outfalls and target investment where required.\*

### To support outdoor recreation we will:

- Continue to work with South West Lakes Trust to provide amenities at our reservoirs and lakes across the region
- Continue to support local educational establishments, sponsor local charities and organisations, and encourage our employees to take part in voluntary activities that benefit our local communities
- Make sure our employees are valued and make our business the regional employer of choice
- Continue to support initiatives that support general wellbeing of our employees and customers, for example the recently launched Refill initiative.

\* South West Water only

### To support the regional economy we will:

- Provide support to local educational and training initiatives
- Continue to support regional employment through direct and indirect employment
- Continue with our award-winning apprenticeship programme
- Work with local universities on research and development projects which will help us deliver services in a more efficient way.

South West Water and Bournemouth Water support around **6,000 jobs** in the local economy

For more information, see supporting report:

[Innovation report](#)



## TARGETING IN 2025

- Zero
- Measure yet to be fully defined

## VISION FOR 2050

- Zero
- To be confirmed

2020-2025

OUR PROPOSALS

WHAT THIS WILL MEAN FOR BILLS



**£3**

**Ongoing**

- Ensure our operations and networks do not prevent bathing waters meeting all legal standards and requirements\*
- Undertake investigations and monitor our shellfish waters in order to prevent deterioration of water quality\*
- Invest in upgrading critical sea outfalls to help maintain water quality across the region\*
- Make sure our employees are valued and make our business the regional employer of choice
- Continue to work with South West Lakes Trust to provide amenities at our reservoirs and lakes across the region
- Work with local universities on research and development projects which will help us deliver services in a more efficient way.

**£3 – £8**

**Additional investments we are proposing (2020–2025)**

- Further develop our links to local universities to expand our programme of research and development initiatives
- Invest in wastewater treatment processes to ensure high levels of ‘good’ and ‘excellent’ bathing water across the region\*
- Reduce the frequency of stormwater overflows which can affect rivers and coastal waters\*
- Inspection and further improvements to sea outfalls\*
- Separate surface water drainage from our sewers to reduce the operation of stormwater overflows during extreme wet weather events\*
- Increase the frequency of sewer cleansing activities to further reduce the risk of sewer blockages\*
- Continue to support initiatives that support the general wellbeing of our employees and customers, for example the recently launched Refill initiative.

**£8 – £18**

**Other improvements that could be done sooner**

- Additional investment to drive more bathing waters towards the excellent standard\*
- Reducing storm overflow frequency in Plymouth to ensure long term excellent water quality at the area’s bathing beaches
- Accelerate the programme of investing to protect shellfish waters.\*

For more information, see supporting reports:

Resilience report

Innovation report

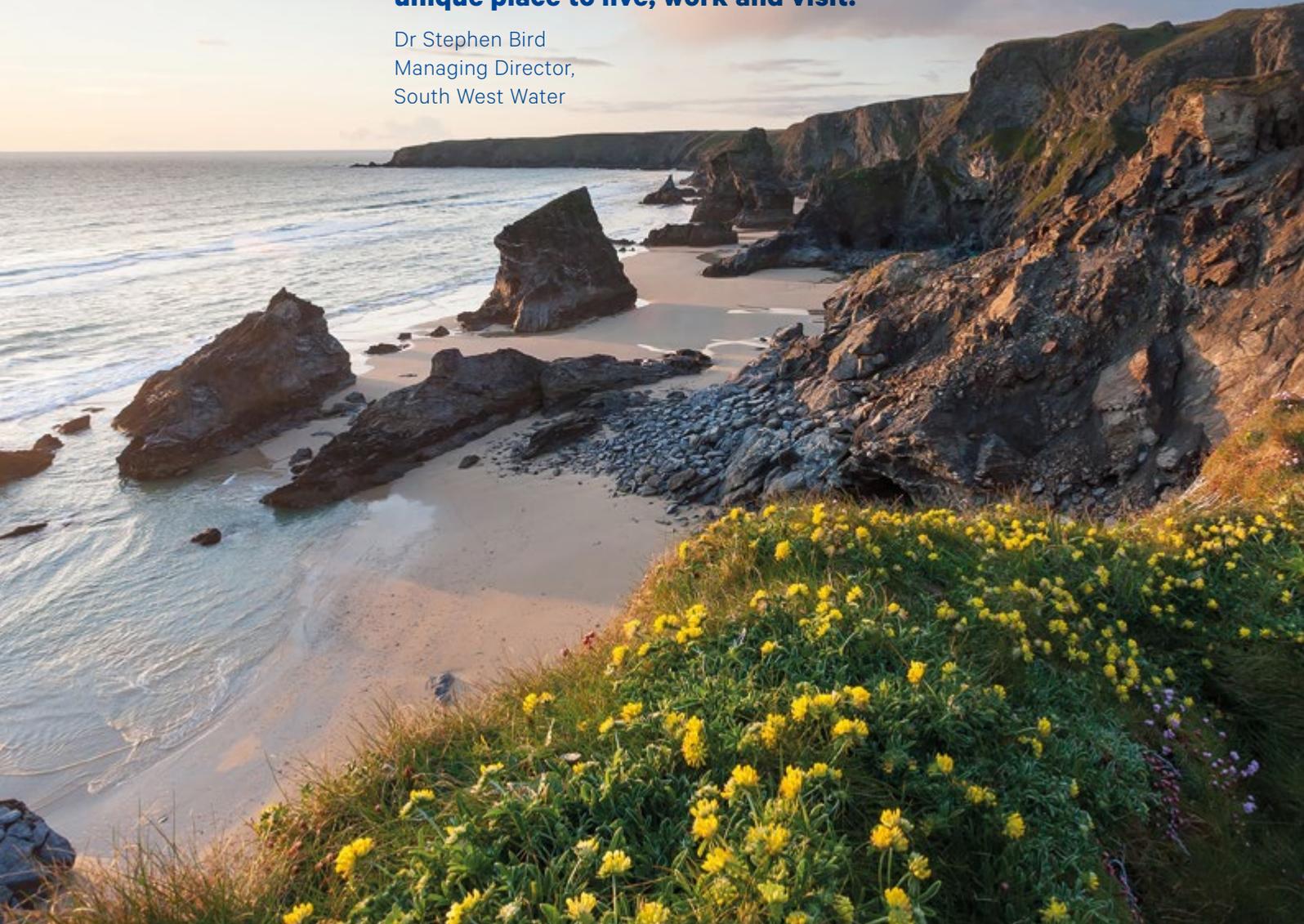
Performance report

\* South West Water only



**We recognise that we play a critical role in supporting our local communities, businesses and the economy. Working collaboratively with our partners, we will continue to support and champion the region as a unique place to live, work and visit.**

Dr Stephen Bird  
Managing Director,  
South West Water



### WHAT ARE YOUR VIEWS?

See our 'Have your say' section on page 51 or visit [www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 

## OUR CUSTOMERS' PRIORITIES



**FAIR CHARGING  
AND AFFORDABLE  
BILLS FOR ALL**

16

Smart  
metering

18

Compulsory  
metering

"Help with paying bills is available if you are struggling."

**We are committed to doing everything we can to keep our costs as low as possible, while ensuring a high level of service and maintaining a fair and sustainable charging system.**

### TO DATE

#### DELIVERING

**We are improving our efficiency by continually reviewing and refining our operating practices.**

**We achieve among the lowest costs of financing in the industry.**

**We continue to ensure that our investment plans are balanced so that investments are only made in the areas that customers value.**

**Over 51,000 customers have been or are receiving help through one or more of our affordability schemes.**

**Since 2006 we have provided funding to Plymouth Citizens Advice to support debt advice and training across/throughout the South West.**

**We have increased the percentage of our customers who are metered to over 80%.**

#### CHALLENGES

- ▶ Our environmental obligations have historically resulted in our costs being higher than the national average.
- ▶ Our region has relatively low incomes and high house prices.
- ▶ We have to consider the affordability of our bills in the short term against the risk of deferring essential work that could cost more in the long run.
- ▶ Increasing costs for energy and materials due to global market forces and uncertainty around Brexit.

#### CASE STUDY



#### Affordability

– please see our Affordability report for further details



### PERFORMANCE COMMITMENTS (measured on an annual basis)

### CURRENT PERFORMANCE

Per capita consumption (litres/person/day)	→ 137.7
Replacement of dumb meters with meters which can be automatically read (number)	→ New measure
Number of customers on one of our support tariffs (number)	→ New measure
Gap sites and voids – residential retail	→ New measure
Gap sites and voids – business retail market	→ New measure



"We need to understand the costs involved in getting water to our taps."

"Water should be made affordable for all."

"In reality not everyone can afford to pay for some improvements."

2020-2025

## MOVING FORWARD

### To continually drive efficiency we will:

- Achieve value for money for customers by being as efficient as possible in delivering our investments and services
- Work in collaboration with our suppliers to drive innovation and continuous improvement
- Do everything we can to minimise the impact of cost pressures of providing services, such as energy prices, by improving productivity, controlling bad debt and minimising our own energy consumption
- Ensure we are financially resilient and able to raise finance in a cost-effective manner that provides confidence to our key stakeholders and investors.

### To increase customer awareness of measures they can take to reduce bills we will:

- Increase engagement with customers on the services they receive to help them understand how they can influence current and future bills by using water more efficiently and taking care of what is disposed of to our sewer network
- Provide a wider range of water-saving devices including water-efficient white goods to low-income households

### To ensure bills are fair and affordable for all we will:

- Expand the number of affordability initiatives, including increasing the amount of customers that can be helped by our reduced tariff
- Make it as easy as possible for customers to access and apply for help including expanding our WaterCare team to enable home visits and tailored support
- Expand the number of partnerships we have with trusted third-party organisations such as Citizens Advice and social housing providers, to support customers in managing their bills
- Increase the number of households that are metered
- Enable customers to have more control over their water use and enable us to provide them more tailored support through the replacement of older meters with new technologies
- Roll out our innovative WaterCare app to our affordability partners to enable rapid processing of customer applications for assistance.

For more information, see supporting report:

[Affordability report](#)

## TARGETING IN 2025

- Upper quartile
- Measure yet to be fully defined
- >50,000
- Measure yet to be fully defined
- Measure yet to be fully defined

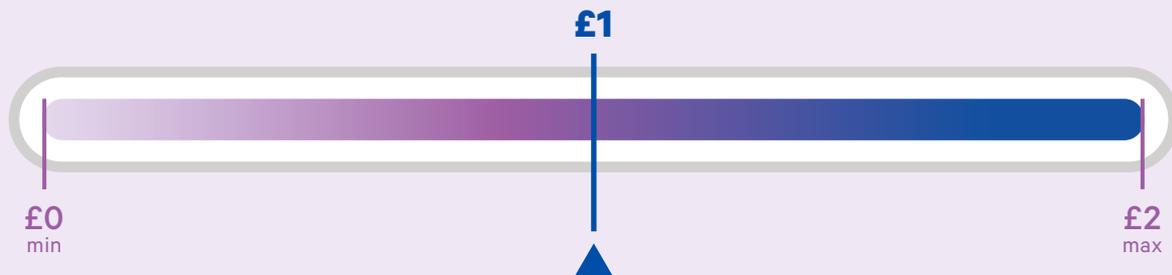
## VISION FOR 2050

- Lowest in the industry
- Where practical, all customers have a SMART meter
- All customers eligible for help assisted by affordability initiatives
- To be confirmed
- To be confirmed

2020-2025

OUR PROPOSALS

WHAT THIS WILL MEAN FOR BILLS



**£0**

**Ongoing**

- Maintain partnerships with social housing providers to provide help to customers with their bills
- Continue to offer existing affordability measures including a regional social tariff
- Continue to run the ‘Water Debt Gateway’ in partnership with Plymouth Citizens Advice
- Continue to find innovative ways to drive efficiency across our supply chain and wider business
- Achieve value for money for customers by being as efficient as possible in delivering our investments and services
- Work in collaboration with our suppliers to drive innovation and continuous improvement
- Do everything we can to minimise the impact of cost pressures of providing services, such as energy prices, by improving productivity, controlling bad debt and minimising our own energy consumption
- Ensure we are financially resilient and able to raise finance in a cost-effective manner that provides confidence to our key stakeholders and investors

- Continue to provide advice to customers on how to save water and in doing so reducing their bills.

**£0 – £1**

**Additional investments we are proposing (2020–2025)**

- Incentivise customers to use less water and reduce their bills
- Provide a wider range of water-saving devices including water-efficient white goods to very low-income customers
- Increase the work with social housing providers to include promotion of and help with water and energy efficiency
- Make it as easy as possible for customers to access and apply for help including expanding our WaterCare team to enable home visits and tailored support
- Expand the number of affordability initiatives, including increasing the amount of customers that can be helped by a reduced tariff
- Expand the number of partnerships we have with trusted third-party organisations such as Citizens Advice and social housing providers, to support customers in managing their bills
- Increase the number of households that are metered

- Enable customers to have more control over their water use through more tailored support provided by replacing older meters with new technologies
- Increase engagement with customers on the services they receive to help them understand how they can influence current and future bills by using water more efficiently and taking care of what is disposed of to our sewer network
- Roll out our innovative WaterCare app to our affordability partners to enable rapid processing of customer applications for assistance.

**£1 – £2**

**Other improvements that could be done sooner**

- Extend the eligibility criteria of our regional social tariff to provide financial assistance to more of our customers
- Accelerate the replacement of older meters with new technologies that enable customers to have better control over their water usage
- Accelerate and increase the reach of our incentivisation schemes to encourage customers to use less water.



**We are committed to doing everything that we can to keep our costs as low as possible, while ensuring a high level of service and creating a fair and sustainable charging system.**

Sally Mills  
Head of Regulation and Customer Relations,  
South West Water



#### WHAT ARE YOUR VIEWS?

See our 'Have your say' section on page 51 or visit [www.southwestwater.co.uk/waterfuture](http://www.southwestwater.co.uk/waterfuture)



For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 

**FORECAST  
BILLS**

The following examples show how our proposals would impact on the average annual South West Water bill between 2020 and 2025. It also shows the minimum and maximum possible cost of activity in each area of the business.



**South West Water**

**Average water and wastewater bill 2024/25**

**Average water bill 2019/20**

This is the forecast average bill for 2019/20 (including the £50 Government payment).

**£500**

**Efficiencies**

We continually look to improve our efficiency in areas such as the cost of operations, capital investments and financing. This efficiency saving can then be passed on to customers.

Our current forecast is for an efficiency saving that reduces the average bill by up to £50.

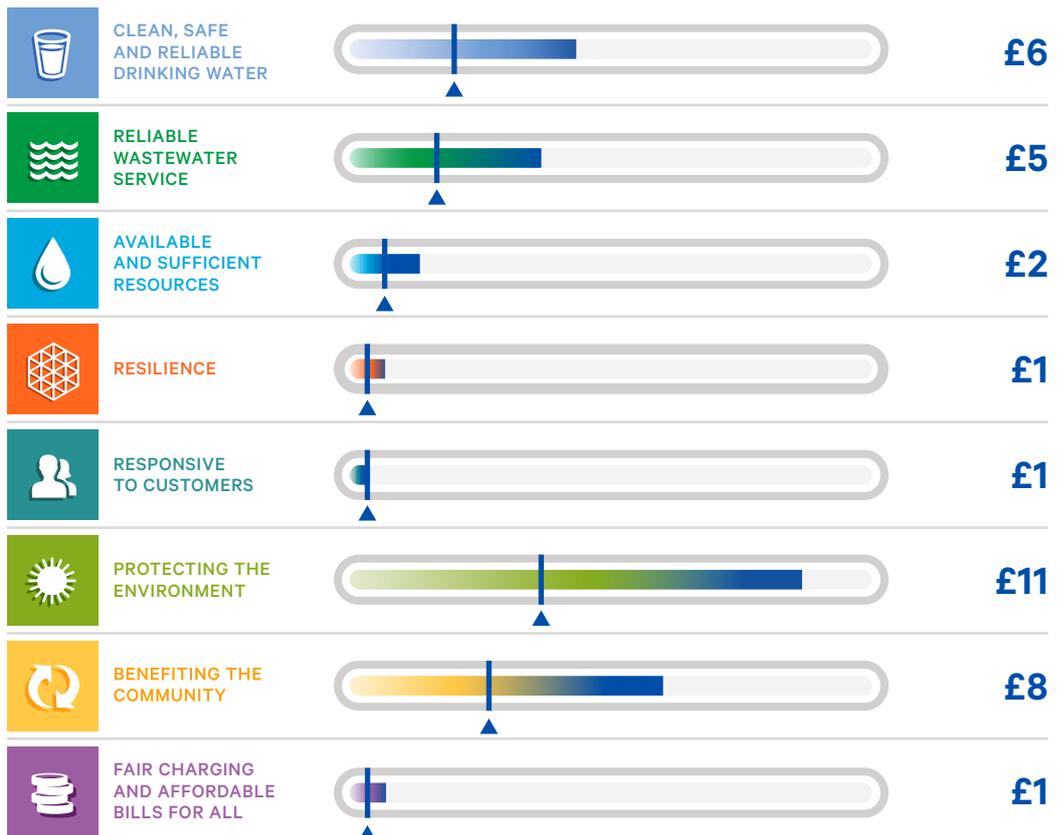
**- £50**

**Your choices**

The lower end of the range shown represents the minimum possible investment in order to continue with our current level of service and meet our regulatory obligations.

The ▲ indicates our proposed package of investments to deliver improvements and savings in the longer term (based on customer research to date).

The top end of the range represents the maximum possible investment in every area of the business.



**Total before inflation**

If we achieve our forecast efficiency savings of £50 and deliver our proposed investment package the average bill would be £485 before inflation.

**▶ £485**

**Inflation (estimated between £51 and £71)**

**+ £61**

**TOTAL**

**£546**

The following examples show how our proposals would impact on the average annual Bournemouth Water bill between 2020-2025. It also shows the minimum and maximum possible cost of activity in each area of the business.

Note: Bournemouth charges are for water services only.

**Bournemouth Water**

**Average water bill 2024/25**



**Average water bill 2019/20**

**£142**

**Efficiencies**

We continually look to improve our efficiency in areas such as the cost of operations, capital investments and financing costs. This efficiency saving can then be passed on to customers.

Our current forecast is for an efficiency saving that reduces the average bill by up to £12.

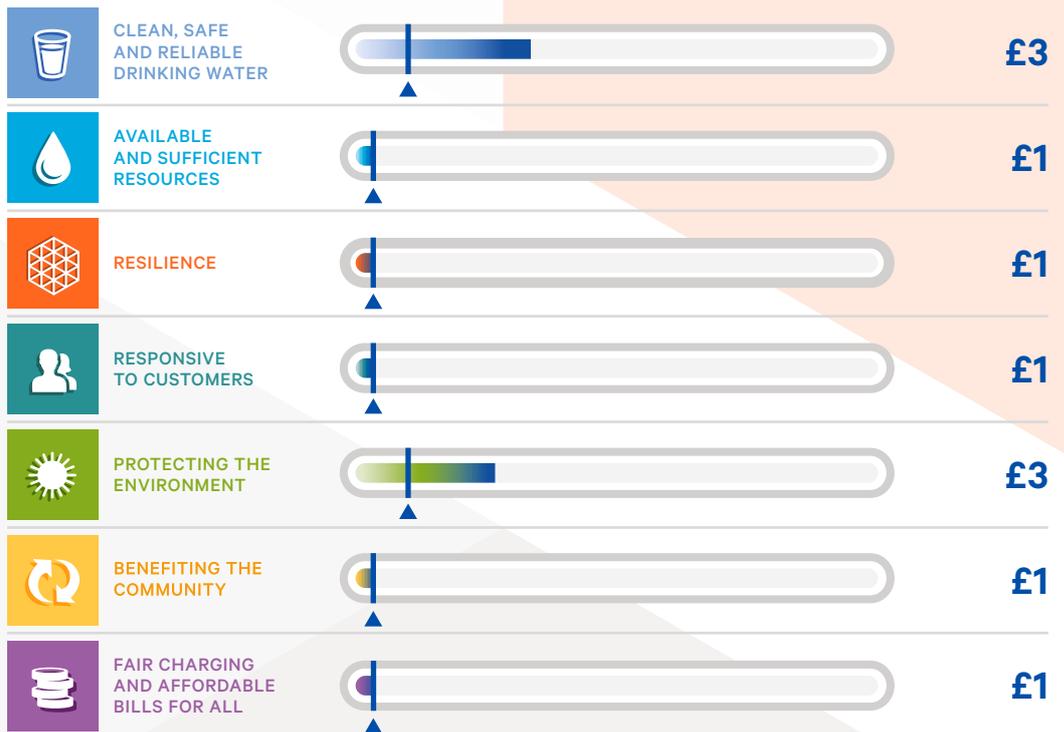
**- £12**

**Your choices**

The lower end of the range shown represents the minimum possible investment in order to continue with our current level of service and meet our regulatory obligations.

The ▲ indicates our proposed package of investments to deliver improvements and savings in the longer term (based on customer research to date).

The top end of the range represents the maximum possible investment in every area of the business.



**Total before inflation**

If we achieve our forecast efficiency savings of £12 and deliver our proposed investment package the average bill would be £141 before inflation.

**▶ £141**

**Inflation (estimated between £10 - £18)**

**+ £14**

**TOTAL**

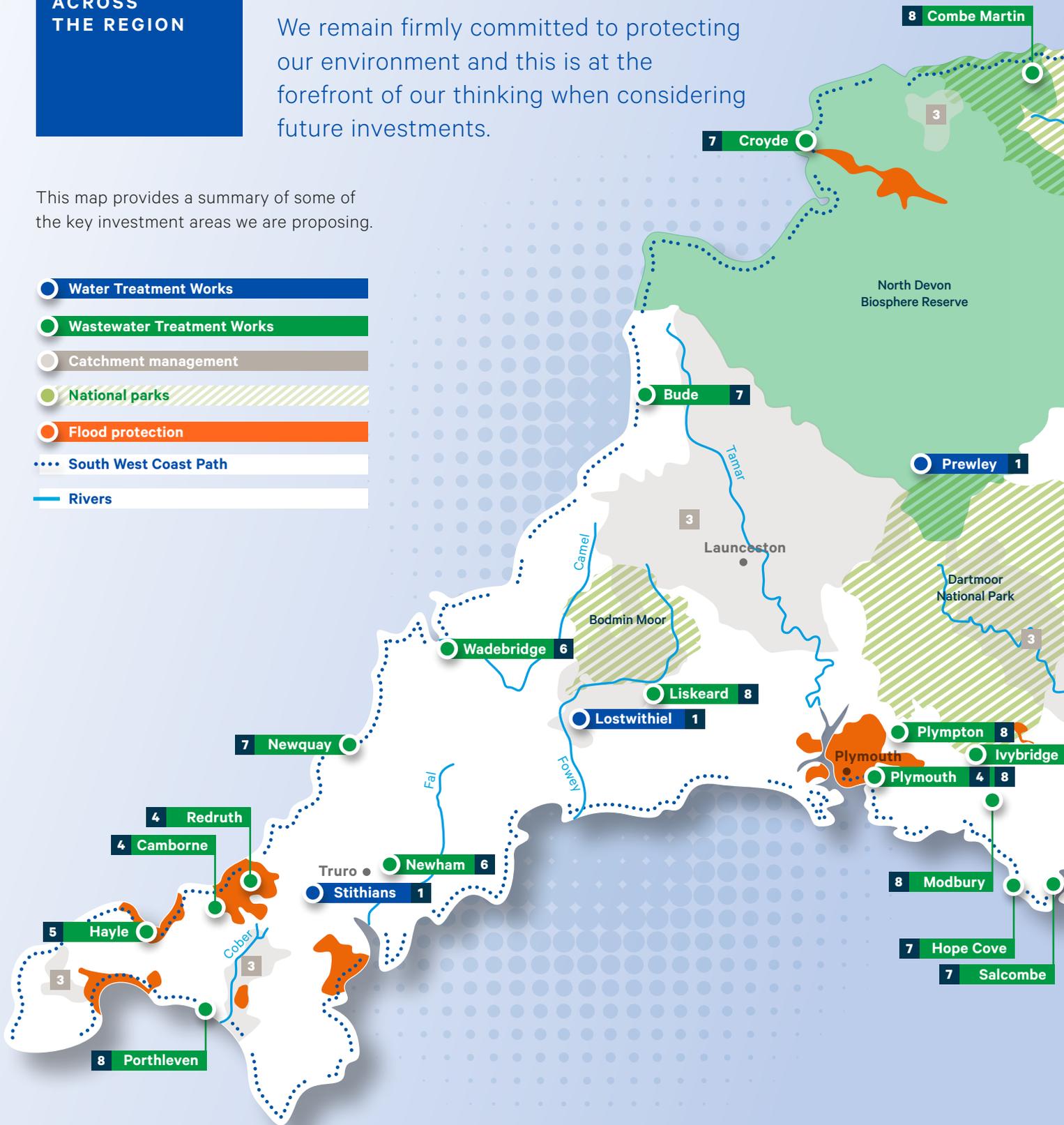
**£155**

## ACROSS THE REGION

We remain firmly committed to protecting our environment and this is at the forefront of our thinking when considering future investments.

This map provides a summary of some of the key investment areas we are proposing.

-  Water Treatment Works
-  Wastewater Treatment Works
-  Catchment management
-  National parks
-  Flood protection
-  South West Coast Path
-  Rivers



## South West Water

## Bournemouth Water



### Water

### Wastewater

- 1** Upgrades to Water Treatment Works at a number of key sites
- 2** Introduce smart technologies within our networks to improve control and reduce leakage and supply interruptions
- 3** Continue our programme of catchment management schemes to benefit the wider environment and improve the quality of the water we treat

- 4** Improve surface water drainage in key areas in order to prevent flooding and reduce the burden placed on sewers during heavy rainfall
- 5** Installation of odour monitoring equipment at Wastewater Treatment Works
- 6** Ensure robust flood protection measures are in place for key sites
- 7** Invest in upgrading critical sea outfalls to help maintain water quality across the region
- 8** Introduce and test sustainable innovative drainage schemes to reduce flooding risk
- 9** Upgrade our treatment processes to prevent microplastics in sewage entering watercourses

## MAKING THE RIGHT CHOICES

Bills have been rising since privatisation and affordability is an issue for some customers. Any step change service improvements could increase costs and, therefore, we must make continued improvements and efficiencies, and deliver innovation, to keep costs as low as possible.

It is our intention to target the timing of our investment programme to minimise dramatic changes to customers' bills as far as possible whilst recognising that external pressures such as climate change or new legislation may require us to invest sooner rather than later.

In trying to ensure gradual changes to customers' bills, we are trying to avoid overburdening any particular generation of customers with unfair changes to bills. We will ensure that our investment plans are balanced so that investments are only made in the areas that customers value, or where we have to meet our legislative objectives. There are choices about how and when some of the investments can be delivered – some can be accelerated and some deferred. This will be determined by balancing levels of risk with customer priorities.

Making the right choices means achieving a balance of activity and investment which will:

- Deliver value-for-money services while keeping bills affordable for all
- Meet or exceed the high quality standards set by our regulators
- Safeguard our existing investments (e.g. networks, treatment works, operational assets and systems)
- Minimise the impact of our activities on the environment and protect our natural capital
- Ensure fair returns for our investors and shareholders
- Embrace innovation in order to meet future challenges such as climate change, resilience, population growth and new legislation.

### Driving cost efficiency

Through continuous innovation and our drive on cost efficiency within the business we continue to make substantial progress on making efficiencies in the costs that we incur.

We work in collaboration with our suppliers to maximise value and improve service levels to customers. We only procure goods and services through approved suppliers and contractors whose products and services meet our own requirements and whose quality, service ethic and sustainability practices correspond with our own. Where there are pressures on the cost of providing services, such as energy prices, we do everything we can to minimise them.

Improving our productivity, controlling bad debt costs through our affordability strategy, and taking advantage of innovation and best practice from across sectors are some examples of this.

### Impact of Brexit

With the UK Referendum in June 2016 resulting in Britain deciding to leave the European Union, there still remains some uncertainty on how these changes may impact the water industry. A forecasted post-Brexit scenario, which sees higher inflation rates, lower interest rates and lower growth, would lead to pressure on customer bills and mean we will need to do even more to support those who find themselves struggling to pay their bill.

This won't mean a drop in standards as we remain committed to minimising our impact on customers and the environment regardless of future changes in regulation.

Delivering promises to customers

For more information, see supporting report:

Performance report



## HAVE YOUR SAY

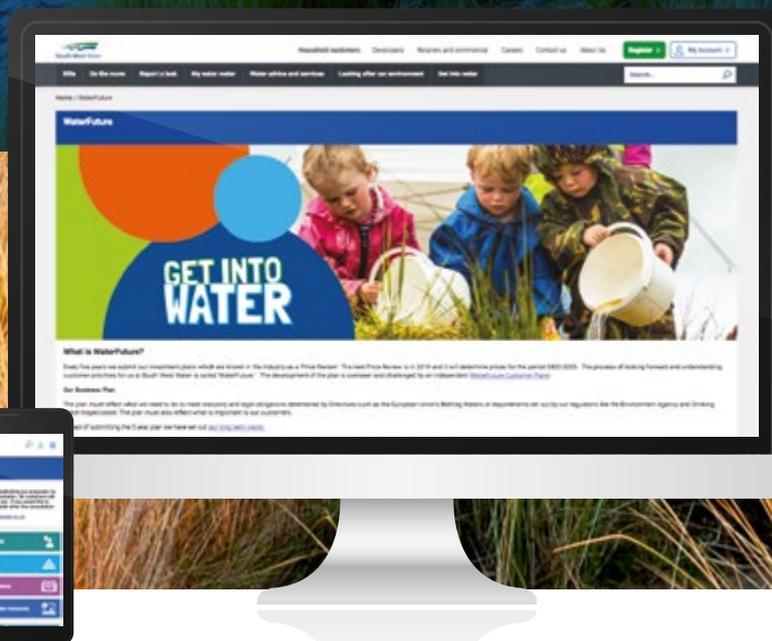
Now that you have read our proposals and seen how the choices we make could affect your bill we would like to know what you think.

The feedback you provide will help inform our final business plan.

- Do you think the level of investment and service levels we are proposing at the cost indicated offers value for money, is affordable and delivers against customer priorities and our statutory legal obligations?
- Are there any areas where you would expect to see more or less investment?
- Are there any areas where you would like to see investments addressed more quickly recognising that this would impact customer bills?
- Are we measuring the right activities to deliver improvements now and ensuring that we continue to deliver for future generations?
- Does the balance of investment and service measures look right across the services we provide?

You can contact us in the following ways:

- By emailing **waterfuture@southwestwater.co.uk**
- By visiting our WaterFuture website at **www.southwestwater.co.uk/waterfuture**
- By writing to us at **FREEPOST WATERFUTURE**





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