

WaterFuture

Our Vision 2020–2050



South West
Water



Bournemouth
Water

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HAVE YOUR SAY



FURTHER INFORMATION

This document provides links to further information published in our suite of supporting reports. Simply click on the links to be directed to the relevant document.

In 2018 South West Water will submit its 2020-2025 combined business plan, covering both the South West and Bournemouth operating areas, to the water industry's economic regulator, Ofwat.

Ofwat will review the business plan and set revenue controls – limiting the amount our customers can be charged for that period.

This process is carried out every five years and is known as the 'price review'.

In preparation we have been carrying out research and engagement with our customers and stakeholders across the South West and Bournemouth areas to gauge how their long-term priorities may have changed since the last price review in 2014.

The results of that process are reflected in this document. It sets out our updated long-term vision (2020-2050) and also highlights some of the specific service levels we are proposing to achieve between 2020 and 2025.

To ensure that the views of our customers and stakeholders are kept central to our plans we are inviting feedback on the priorities and proposals contained within this document.

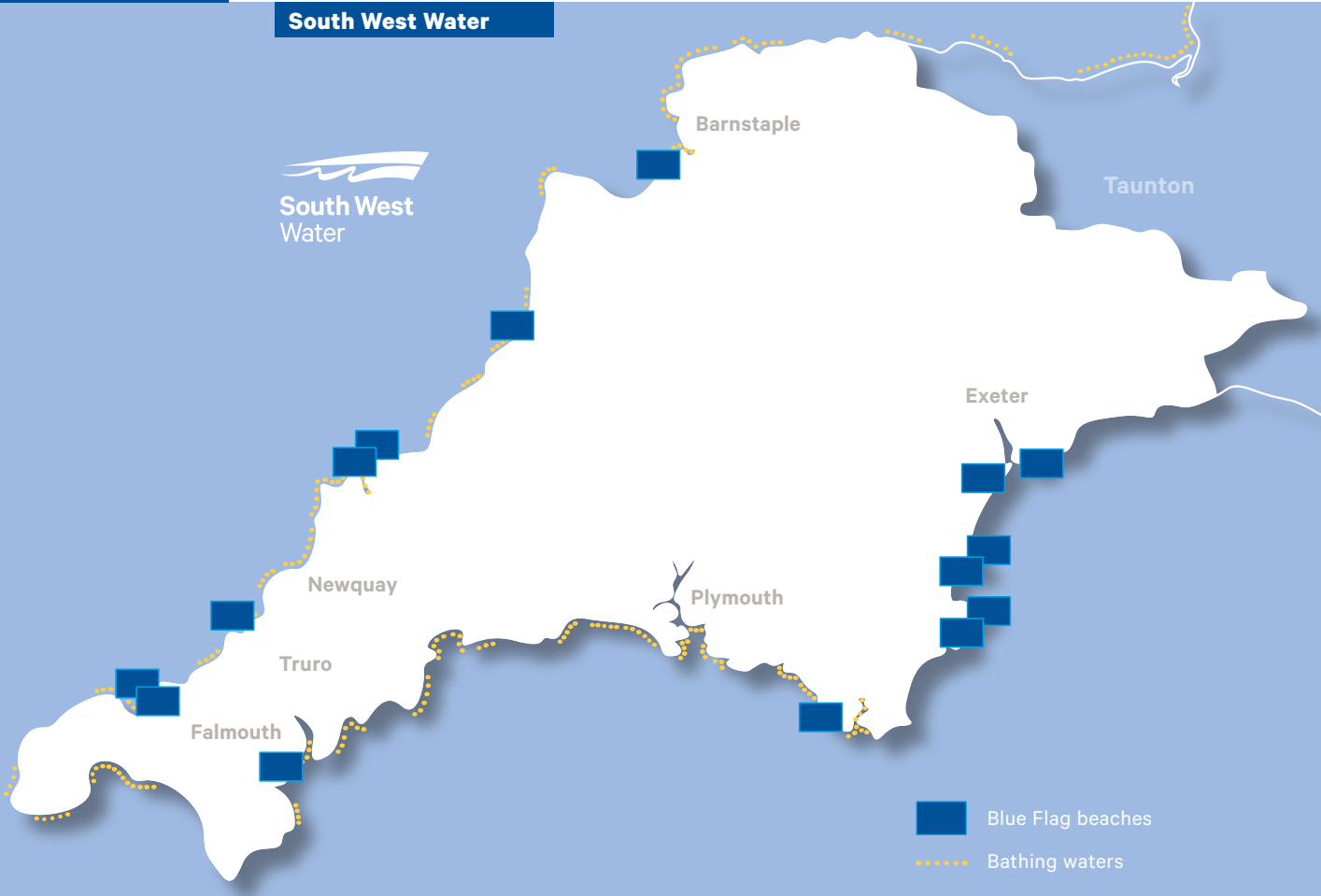


WHAT ARE YOUR VIEWS?

See our 'Have your say' section on page 56 or visit www.southwestwater.co.uk/waterfuture

FACT FILE

SOUTH WEST WATER IS THE COMBINED ENTITY SERVING THE ORIGINAL SOUTH WEST WATER AND BOURNEMOUTH WATER AREAS, FOLLOWING THE MERGER OF THE TWO COMPANIES IN 2016. BOTH IDENTITIES HAVE BEEN RETAINED BY THE COMPANY IN THEIR ORIGINAL OPERATING AREAS.



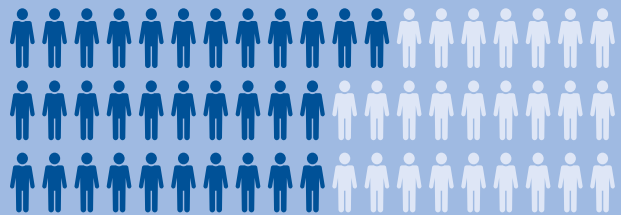
South West Water is the water and wastewater service provider for a population of c. 1.7 million in Cornwall, Devon, and parts of Somerset and Dorset.

Bournemouth Water is the water supplier to a population of c. 0.5 million covering parts of Dorset, Hampshire and Wiltshire. Wastewater services in the area are provided by Wessex Water and Southern Water. Bournemouth Water was acquired by Pennon Group Plc in April 2015 and from 1 April 2016 has been integrated with South West Water.

 **144 bathing waters**

 **24 shellfish waters**

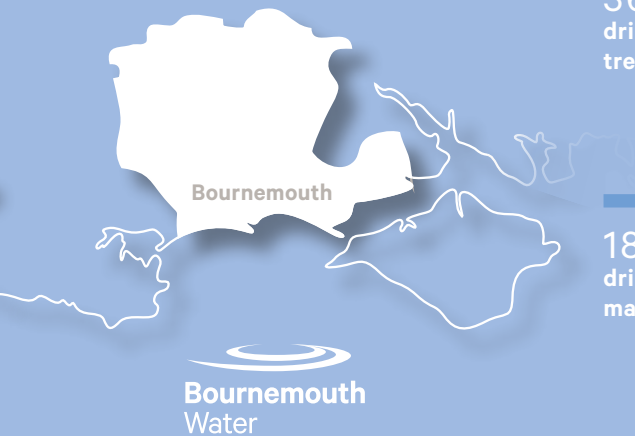
2.2 million total population served



1.0 million customers

WHAT WE DO

Bournemouth Water



23
raw water
reservoirs

COLLECTION OF RAW WATER

We take raw water from reservoirs, rivers and boreholes in a sustainable way that minimises our impact on the environment.

20 consecutive years without water restrictions in the South West Water area.

Bournemouth Water area has not experienced water restrictions.

36
drinking water
treatment works

TREATMENT OF RAW WATER

We then treat the raw water at one of our 36 water treatment works across the region.

Industry-leading water quality results in 2016.

18,176km
drinking water
mains network

DISTRIBUTION OF TREATED WATER

Our 18,176km network of pipes ensures our customers enjoy clean, safe drinking water at the turn of a tap.

Leakage performance among the best in the industry.

653
wastewater
treatment works

TREATMENT AND DISPOSAL OF WASTEWATER

Wastewater is treated to meet strict environmental standards and the cleaned water is returned to our region's rivers and seas.

Best ever wastewater numeric and descriptive compliance in 2016.

c.900
wastewater
pumping
stations

COLLECTION OF WASTEWATER

Used water from homes and businesses, along with surface water that has drained into the sewers, goes through our sewer network to one of our 653 wastewater treatment works.

15,600km of pipes in our sewer network.

89%
current
customer
satisfaction levels

CUSTOMER SERVICE

2.2m residents and over 10m visitors rely on our services and support 24 hours a day, 365 days a year.

Customer satisfaction levels now at 89% in South West Water and 95% in Bournemouth.

EXECUTIVE SUMMARY

Both South West Water and Bournemouth Water previously set out their long-term strategies for the future back in 2013. Although the social, economic, political and environmental landscape has changed significantly, we believe our overarching long-term combined vision remains largely unchanged. Providing a first-class, innovative, efficient, affordable and resilient service, which supports and enhances the communities we serve, remains the priority.

Water is vital, a precious resource on which lives and businesses depend. The provision of water entails a duty of care to consumers and the environment from which it is harvested and returned. Every aspect of this water cycle has wide-ranging physical, economic, social and environmental impacts.

There are many stages within the processes of abstracting, treating and delivering drinking water and removing and responsibly disposing of wastewater. At South West Water we recognise that from the moment a raindrop falls there are actions we must take to make our processes as efficient and sustainable as possible. Working in conjunction with Exeter University, Devon Wildlife Trust and Westcountry Rivers Trust, we have already embedded pioneering techniques of catchment management that focus on how water enters the river system and how it is affected by the man-made and natural landscapes it passes through prior to entering our water treatment works.

We are already taking steps to enhance our capability using the most up to date and available technologies. One such example is the installation of the first ceramic membrane water treatment works in the UK.

[For more information on our pioneering Mayflower water treatment works, see our supporting report:](#)

Innovation report

Since 1989, South West Water has invested over £7bn to improve and maintain the water and wastewater services on which lives and businesses in our region depend.

What makes the regions we serve so special also presents a unique set of challenges. We serve a relatively small and dispersed population spread across a hilly and largely rural peninsula with more miles of coastline per customer than any other water company in England and Wales. This has enviable quality of life benefits but has also meant that the cost of taking care of around a third of the bathing waters in England and Wales has fallen on a small fraction of the population – a historic unfairness that the government has agreed to address through the £50 annual household bill reduction since 2013.

Our unique circumstances have resulted in above-average bills so delivering value for money is critical. We are proud that our investment to protect both public health and the wonderful natural environment that surrounds us has helped underpin the regional economy and support local economic growth. But we also know many of our customers find themselves in vulnerable circumstances, whether it is a result of struggling with below-average incomes and above-average house prices, temporary or permanent loss of employment, illness, poor health or indeed poor service.

We have several affordability measures in place to support customers who struggle to pay and work closely with third party organisations to ensure we are doing everything possible to make it easy for customers to access help.

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

Affordability report

Enhance
and support
the communities
we serve

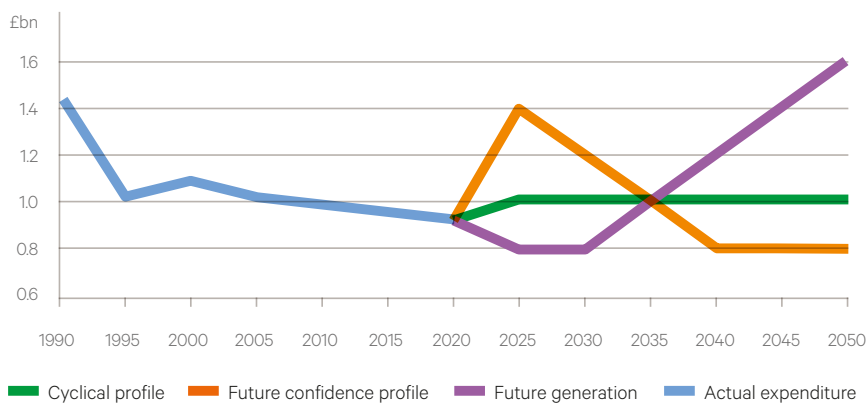
First class, innovative
and efficient service



Supporting regional economic growth

Balanced investment plan

Affordable bills for all



As we look ahead to 2050, we see the opportunity to build on our successes while keeping the needs of our customers at the heart of the business.

Operating in parts of England forecast to have significant population growth, in addition to a large annual influx of visitors, the decisions taken on how to manage our water resources will be pivotal. Other external influences such as climate change, extreme weather, increasing competition and changes to legislation and regulation will also continue to have their effect.

The only one certainty is that we must continue to invest in the maintenance and improvement of our network and assets in order to deliver water and wastewater services that our customers can rely on, while meeting future challenges.

In some areas of our business this will mean investing sooner rather than later (see graph above). In order to do so, it is essential that we continue to attract and retain low-cost finance providers to balance the costs of improvement and maintenance. Not investing would run the risk of our networks and resources failing to cope with the extra demand and the impact of more frequent extreme weather events, making it more difficult to deliver the improvements and resilience our customers and regulators will expect in the long term (see graph above).

Put simply, our investments must be timely and efficient, delivering everyday value that our customers and stakeholders can appreciate and that our finance providers can be confident in.

Our vision to 2050 is focused on delivering balance and value, meeting the diverse needs of the communities we serve and the responsibilities we have to the environment while keeping our costs as low as possible.

Delivering promises to customers

Each aspect of our vision and strategy to 2050 continues to be driven by one or more of our four guiding principles:

- Resilience
- Reliability
- Responsiveness
- Sustainability



Resilience



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

As outlined in the current UK Government guidance ‘Keeping the Country Running’, provision of a resilient service can be delivered in a number of different ways.

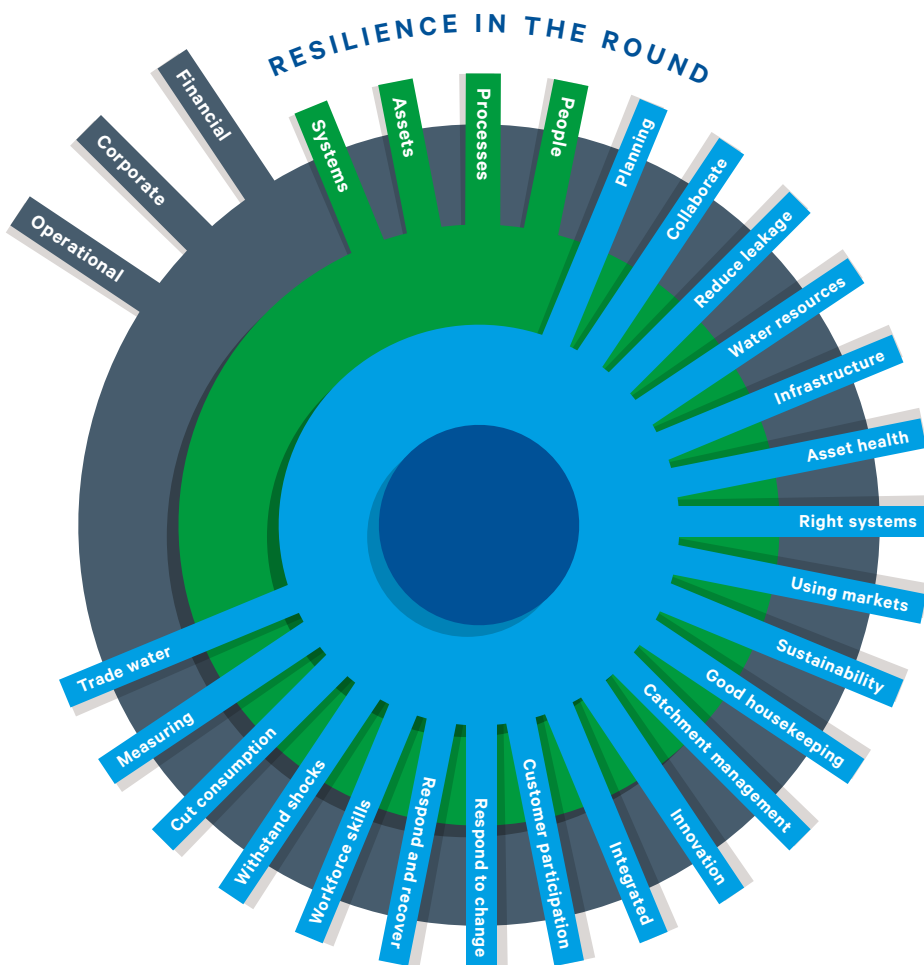
Despite achieving record bathing water quality standards in 2016, the capacity of the region’s wastewater system to cope with heavy rainfall remains limited, bringing with it problems both for homes and businesses which may be susceptible to sewer flooding – and for the region’s rivers, estuaries and coastal waters.

At present, both the wastewater from homes and businesses and the run-off from local authority-owned roadside drains often pass through the same sewer network. When the network becomes overwhelmed during periods of heavy rainfall, the excess flow is discharged into rivers and the sea via combined sewer overflows. To ensure that the wastewater system can cope in extreme weather events and meet the needs of an increasing population South West Water intends to carry out further sewer separation schemes in those areas most at risk. We will also continue to maintain and improve our wastewater treatment processes and work in partnership with agencies such as local councils and the Environment Agency to spearhead improvements in urban drainage.

Ultimately, our long-term vision is to guarantee that there will be no internal floodings or harmful pollution incidents. We aim to ensure that all our wastewater treatment processes meet 100% compliance standards and that the bathing waters they could potentially affect are all meeting EU ‘good’ or ‘excellent’ status.

For more information, see supporting report:

[Resilience report](#) 





Reliability

This is our ability to deliver the services we are responsible for without fail and to the highest possible standard. This includes ensuring that a water supply is available to our customers come rain or shine, and that the quality of both the water we treat for consumption and that which we manage as a waste product, meets or exceeds the appropriate standards. Providing a reliable service requires the maintenance and upgrading of our assets and systems to ensure the continuity of our drinking water and wastewater processes.

We know that the very least our customers expect from us is a reliable, safe and clean supply of drinking water. South West Water already has an industry-leading record on drinking water quality and leakage prevention but we recognise that there are aspects of the drinking water process in which further investment will benefit the region.

South West Water will continue to invest in the maintenance of its water network by focusing on those areas most in need of refurbishment.

To ensure reliability and optimise the future use of water supplies the proposals outlined in this document include the duplication of our strategic water mains and improvements to region-wide connections – this will help to ensure that when a problem occurs (e.g. a damaged pipe, a burst main) we can still deliver an uninterrupted supply of clean water to our customers.

We are also looking to minimise specific taste, smell and discolouration issues in any areas still affected. South West Water customers will benefit from upgrades to our water treatment works – these include the construction of assets like the new Mayflower water treatment works for Plymouth and the surrounding area.

By 2050, it is our aim to ensure that unexpected interruptions to our customers' water supplies are a thing of the past, along with calls from customers about water quality issues. We also plan to expand our work in the region's river catchments in order to improve raw water quality and natural water storage through our 'Upstream Thinking' initiatives.

Responsiveness

Our responsiveness is defined by our ability to quickly and effectively take the best course of action under any circumstance.

This encompasses the speed at which we respond to customer requests for information or assistance and how we cope with solving any problems that occur within our day-to-day operations, however extreme.

Our responsiveness also extends to our ability to have the foresight and flexibility to adapt to changes when they occur – this may include changes required of us by our customers, stakeholders and regulators or the influence of environmental factors beyond our control.

The research we have carried out has shown that our customers place a high value on responsive customer services that deliver the right solutions to any problems first time.

South West Water continues to invest in improving customer services and in recent years we have seen major improvements in our customer satisfaction scores.



Our aim is to maximise customer satisfaction levels so that they approach 100% by 2050. To achieve this we are planning to continue to invest in our people, giving them the skills they need to do their jobs well, so they are equipped to respond with top quality advice to all customers.

With regard to metering, over 80% of our customers are already metered, and it is our intention to explore different options for metering as many customers as possible by 2025, as well as modernising older meters.

We will also continue to promote the benefits of metering to our customers, highlighting the savings that can be made, especially when coupled with water efficiency measures in the home.

Sustainability

Sustainability encompasses the social, economic and environmental relationships that our business has with the wider world.

To operate sustainably is to choose responsible working practices that bring positive long-term benefits for the region.

This includes everything from the steps we take to minimise our environmental impact through to the ways in which we manage and develop our employees and interact with the communities we serve.

The drive for sustainability – social, economic and environmental – underpins South West Water's activities for the long term.

Tackling water poverty and reducing levels of bad debts are key concerns for us. We are committed to doing everything we can to keep our costs as low as possible, while ensuring a high level of service, with fair and sustainable charges.

Affordability report

A minimised environmental impact is a key priority for South West Water customers and this is something we are seeking to address through our work to reduce our energy and water consumption as well as our carbon footprint.

As part of our vision, South West Water – which is one of the largest energy users in the region – will expand its use of renewable technologies while also investing in additional measures to improve both our energy and water efficiency and consumption.

We are seeking to reduce the amount of waste sent to landfill and make better use of by-products such as bio-resources for energy generation.

Efficient financing and our ability to attract investment will allow us to make the investments necessary to improve the company's reliability, responsiveness and resilience while keeping our costs – and their knock-on effect on our customers' bills – as low as possible.

Meanwhile, our role as one of the region's largest employers, as a user of local contractors and suppliers, and as the guardian of many of its most important natural assets will allow us to further support the regional economy and promote green economic growth in the coming years.

For more information, see supporting report:

Affordability report 



BACKGROUND

When the water industry was privatised in 1989, South West Water inherited reservoirs, treatment works, water mains and sewers which were outdated and had been outgrown by the population 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.

OUR KEY
SUCCESSSES
TO DATE

RAISING DRINKING
WATER QUALITY TO
A NEAR PERFECT
COMPLIANCE RATE
OF 99.96% IN 2016

alongside one other company,
the best of any water
and wastewater company in
England and Wales.

DRAMATICALLY IMPROVING
OUR BEACHES AND THE
BATHING WATER QUALITY

of the region through the closure
of more than 250 raw wastewater
outfalls and the delivery of more
than 150 coastal wastewater
treatment projects as part of the
£2 billion Clean Sweep scheme –
the largest environmental clean-
up of its kind in Europe.

CONTINUED
IMPROVEMENTS IN
CUSTOMER SERVICE

resulting in further improvement
in customer satisfaction levels
(89% customer satisfaction score
in 2016/17).

AVOIDING THE NEED FOR
WATER RESTRICTIONS FOR
20 CONSECUTIVE YEARS

in the South West Water area and
avoiding restrictions completely
in the Bournemouth Water
area through careful resource
management.

CREATING AND
SUPPORTING THOUSANDS
OF REGIONAL JOBS

both as an employer and
through external suppliers
and contractors based in the
local areas.

SPEARHEADING
AWARD- WINNING
INITIATIVES

in the areas of affordability,
'Upstream Thinking'
and 'Downstream Thinking'.

For more information, see
supporting reports:

Affordability report



Resilience report



**MAKING
PROGRESS**

In 2013 South West Water and Bournemouth Water made plans to deliver customers' priorities and industry obligations for the current investment period (2015-2020).

We measure and report performance against 8 outcomes through 40 performance commitments. Against each of the 40 performance commitments we set ourselves stretching targets to meet. For some of these we earn a reward if we outperform the target but incur a penalty if we fail to meet the target.

We are on track to meet or exceed all of our 2020 targets.

The progress we have made is summarised below.

Customer bills on average lower than in 2007

Keep price rises well below inflation

2015/16 targets 2016/17 targets



Deliver efficiency through innovation to keep costs and customers' bills as low as possible



Share the benefits of success fairly between customers and investors



Make significant improvements to frontline customer services



Deliver service and environmental improvements



Support sustainable regional growth



We've kept bills down in recent years through price freezes, price cuts and lower than inflation increases.

In 2016/17, the Bournemouth Water area had the third lowest average household water bill of all water and wastewater companies in England and Wales, representing excellent value for money for customers. For the 2015-20 charging period, average household bills will not increase by more than inflation.

Construction is well underway on the new state-of-the-art Mayflower water treatment works at Roborough, north of Plymouth. It will replace the city's outdated treatment works at Crownhill, which was built in the 1950s and is now reaching the end of its useful life.

In recent years our adoption of new or enhanced technologies such as remote network monitoring and control has also helped us manage our systems, processes and staff more efficiently.



South West Water proposed an innovative framework in our 2015-20 business plan which shared the benefits of the company's success with customers and shareholders in an open, timely and transparent way – WaterShare.

Through the operation of WaterShare in 2015/16 £31m has been reinvested into improving services to customers. More recently, a further £2.1m is being proposed to be returned to customers through bills in 2018/19.

WaterShare

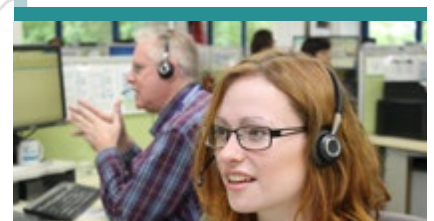


Our capital investment in the region not only maintains and improves our services to customers but also helps to sustain around 6,000 jobs in the region. We are also one of the largest employers in the region, employing over 1,500 members of staff across South West Water and Bournemouth Water operational areas.

southwestwater.co.uk/waterfuture

Upstream Thinking is South West Water's award-winning programme of catchment management on Exmoor and Dartmoor. Delivered in partnership with a range of individuals and organisations including farmers, wildlife trusts and the national park authorities, the various schemes target improved water quality, using ecologically sensitive low-cost measures, including moorland restoration and agricultural improvements.

We have also made major improvements to wastewater works in Carnon Downs, Hayle and Truro.



We have made significant improvements to frontline customer services, with South West Water achieving its best ever customer service score (as measured by the Service Incentive Mechanism) in 2016. Bournemouth Water has maintained its upper quartile position within the industry.



WHAT'S CHANGING?

Numerous external influences can affect the activities of the UK's water and wastewater companies. Some are industry-wide, others are region specific. When things change, we need to have the foresight and ability to adapt as efficiently and effectively as possible. We know this from experience – we do it every day.



Weather

Water companies use UK climate projections to help plan investment in water and wastewater. Key findings for South West England (which incorporates both South West water and Bournemouth Water areas) show that our climate in the 2050s is likely to be very different from today, with rises projected in average summer temperatures in the South West of at least 2.5°C. For all regions the central estimate shows a decrease in summer precipitation and an increase in winter precipitation by the 2050s. A combination of higher summer temperatures and reduced summer rainfall could see significant increases in the summer demand for water and increasing risk of droughts. The increase in winter precipitation places additional pressure on our combined sewer network resulting in more properties at risk of sewer flooding and an increased frequency of potential storm overflows. An increase in winter rainfall also places our assets at risk of flooding. That is why we will need to adapt to climate change even as we seek to change its future course. We therefore urgently require both mitigation and adaptation related investments.

Growth in the South West

The South West is forecast to have significant population growth between 2020 and 2050 and 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.

Customer expectations

Our customers have high expectations of the levels of service they receive and we aim to give them the best possible service for the best possible price.

For our customers in the South West Water area, due to the extra cost of protecting our unique environment (a third of the nation's bathing waters are in the South West), our charges are higher than the national average. With the recent merger of South West Water and Bournemouth Water, we have committed to maintaining the price differential into the future but it is imperative that we continue to deliver value for money across both South West Water and Bournemouth Water operating areas.

Our business is under even more pressure to keep bills as low as possible as more customers struggle to pay their bill in a difficult economic climate. At the same time, investing in the South West also creates local jobs, both through the people we employ directly and those employed by the contractors and suppliers with which we work. In tough economic times this helps to keep the local economy running. Our main focus is on how we continue to improve the level of service that our customers receive whilst balancing the need to keep bills affordable, especially in a region that has relatively low wages and high house prices.

Exeter is one of the five fastest growing cities by housing development



Increasing standards

Changes to legislation and regulation can have wide-ranging investment implications for water and wastewater companies. In 2015 more stringent bathing water standards were introduced and we have invested in our assets accordingly, resulting in 99% of all bathing waters meeting the new bathing water standards in 2017.

Where emerging legislation or regulation requires us to undertake additional investment, we will ensure that we invest in the most cost-efficient way, supported by innovation and new technology where required.



The world's biggest competitive water market is now open. It represents the biggest shake up to the UK water industry since privatisation and gives more than a million businesses, charities and public sector bodies in England the chance to choose their water services retailer.

MOSL, 5 April 2017



Brexit and economy

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. Where European legislation has required us to meet certain standards, our aim is to maintain those standards in the interest of our customers and the environment.



Markets and upstream competition

Greater competition can help drive innovation and reduction in costs which result in lower bills for customers. In April 2016, the world's largest retail market for water services to businesses opened. Ofwat examined the costs and benefits of extending competition to the household retail market but no clear recommendation has emerged.

From 2020, new markets for water resources and bioresources are expected to develop. Businesses will be better able to sell water to water companies, encouraging interconnections in the supply system and development of new sources of supply. Competition to treat and sell on energy and nutrient-rich bioresources will also help drive innovation and efficiency into these areas.

Ofwat is also developing incentives for water companies to enable competition for the financing, design, build and operation of large projects (termed 'direct procurement') with the aim of generating savings in project costs and cheaper financing.



Isles of Scilly

In 2014, the Department for Environment, Food and Rural Affairs (Defra) consulted on its intention to fill gaps in the way current water legislation applies to the Isles of Scilly, which would result in giving both the Environment Agency and the Drinking Water Inspectorate powers to enforce legislation which had not (or only in part) applied to the islands. As a result, South West Water expressed an interest in taking on the responsibility of providing water and wastewater services to all of the islands. We recognise that providing operational services will be challenging in an area with tough terrain, remote communities and challenging transport links to the islands, which are frequently disrupted due to poor weather conditions. However, we believe that taking over these services will provide significant benefits to residents and visitors to the islands, as well as the local environment.



Technology and innovation

Our world is changing at an ever increasing rate. The way in which we build, operate and interact with our assets is evolving at great pace.

Our customers are also increasingly tech savvy and expect us to be able to readily communicate with them through the complete range of current and emerging digital channels.

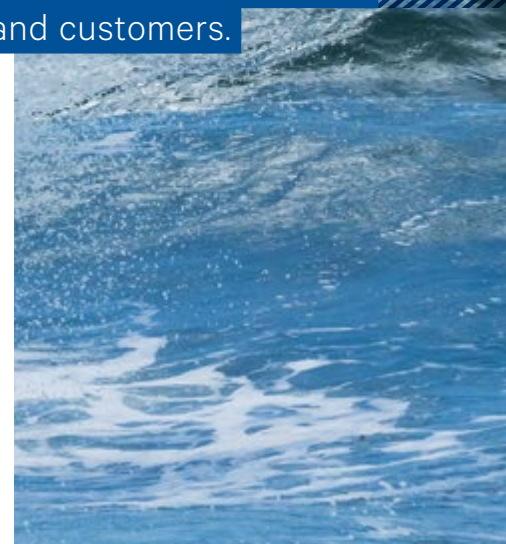
It is vital that we embrace technology and find ever more innovative ways to interact and communicate, be it with our assets or our customers. This requires a business model which invites innovation from all quarters, be it academia, supply chain partners, employees or our customers themselves.

For more information, see supporting report:

 [Innovation report](#)

The population of the country continues to grow. Government projections show an increase of **9.7 million** over the next 25 years.

South West Water will continue to adopt **new technologies** and identify **fresh and innovative ways to interact** with assets, the environment and customers.



MAKING THE RIGHT CHOICES

It remains our aim to balance the needs and priorities of our customers with our environmental responsibilities and legislative obligations.

Our customers' opinions and expectations are central to the development of our business plans for the next five years and our broader 30-year business vision. We use a range of different methods to engage with our customers and understand what their preferences are on particular aspects of timing and priorities for delivery. To affirm our understanding of our customers' priorities we continue to carry out consultation, research and engagement activities through a variety of routes. These include:

An independently-chaired WaterFuture customer panel

Tasked with scrutinising our plans and ensuring they reflect an understanding of our customers' and stakeholders' priorities, the panel comprises members of the Consumer Council for Water, the Environment Agency and Natural England, alongside representatives from regional business, customer and stakeholder organisations and interest groups, and the Chair of Bournemouth Water's Customer View Group (a full list of members can be found on the WaterFuture website). Our engagement with stakeholders through discussions with the WaterFuture Customer Panel has allowed us to understand and discuss their sometimes competing priorities and requirements.

Focus groups

We have run a number of focus groups across the region from Penzance to Christchurch to understand what water and wastewater services mean to our customers and what their preferences are for our activities in the future.

Surveys

From the information gathered in our focus groups, we have carried out further survey work across both South West Water and Bournemouth Water areas to understand exactly what our customers' priorities are for compulsory activities, such as those required by legislation, and also for services where there are options over what to deliver.



Will bathing water standards drop when we leave the EU?

I would like more information on how to save water.

Renewable energy is important, sustainability is key.



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

How do you plan to spread cost over generations?

TOP 3
CUSTOMER
PRIORITIES

2007	2012	2017	
Safe water supply	→ Safe water supply	→ Safe water supply	1
Leakage control	→ Leakage control	→ Increasing priority Protecting bathing and shellfish waters	2
Preventing pollution	→ Preventing pollution	→ Preventing pollution	3

The region-wide survey results to date have revealed that: our customers' top priorities have remained broadly consistent with the results of the priorities research undertaken in 2012 and 2007.

- The provision of safe and clean water remains their number one priority
- The importance they attach to the protection of the region's bathing and shellfish waters has increased
- Preventing pollutions that harm the local environment still remains in the top 3 priorities.



Customers should be the priority.

What about security, how are we protected?



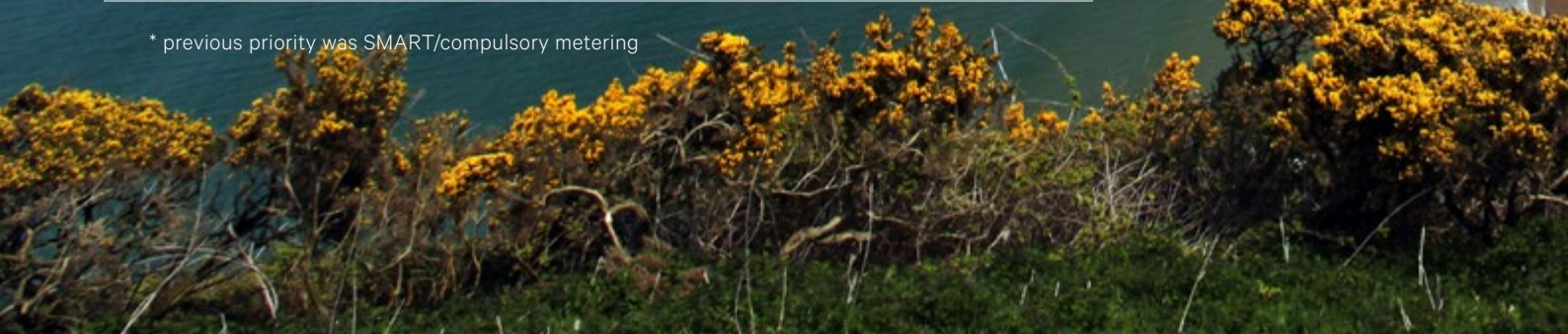
The environment is part of us and it should be our main priority.



MAKING THE RIGHT CHOICES CONTINUED

	2017 ranking	movement from 2012 ranking
Safe water supply	1	= 1
Bathing and shellfish waters	2	↑ 5
Prevent pollution	3	= 3
Sewer resilience in extreme conditions	4	↑ 6
Reduce sewer flooding	5	NEW
Water supply resilience in extreme conditions	6	↓ 4
Leakage control	7	↓ 2
Avoid supply interruptions	8	↓ 7
Responsiveness to service problems	9	NEW
Avoid water resource restrictions	10	↓ 8
Customer contact excellence	11	= 11
Minimise odour from wastewater treatment works	12	NEW
Reduce energy consumption	13	↑ 17
Catchment management	14	↓ 12
Habitats	15	↓ 10
Smart metering	16	↓ 15*
Education on water saving and sewer usage	17	↓ 13
Compulsory metering	18	↓ 15*

* previous priority was SMART/compulsory metering



THERE ARE OPTIONS OVER HOW AND WHEN THE OUTCOMES IN THIS LONG-TERM STRATEGY ARE DELIVERED. WE WANT TO HEAR YOUR VIEWS ON OUR PLANS TO HELP ENSURE WE ARE DELIVERING THE RIGHT OUTCOMES AT THE RIGHT TIME. SEE 'HAVE YOUR SAY' ON PAGE 56.

Our customers top priority continues to be a safe and clean drinking water supply. Protecting bathing and shellfish waters and preventing pollution are also high priorities for our customers. They expect the investments we have to make to meet our legislative requirements and at the same time ensure we meet their performance expectations in these areas.

We have also carried out detailed research with over 1,000 household and business customers to understand how people across the region value improvements in their service. The information we have collected from this work is helping us to understand our customers' preferences for the amount and timing of any bill increases in the future, and is used to compare the benefit of investments with the costs.

From this, we can focus our investment plans for water, wastewater, customer service and the environment on those activities which customers value most.

Some of the key conclusions we are able to draw from our research include:

- Where the area is a high customer priority, customers are broadly prepared to pay to deliver improvements by 2025.
- Very few customers preferred services to deteriorate in return for a lower bill.

Customer satisfaction survey

South West Water monitors customer satisfaction on an ongoing basis to understand their experience of our services. We compare this to the customer contacts we receive to identify any emerging issues and to inform discussions with stakeholders.

Since we started this survey in 1994, we have seen customer satisfaction and perception of value for money consistently rise. Other metrics monitored include satisfaction with bathing water, drinking water quality and wastewater service.

Following integration with South West Water in April 2016, the same customer satisfaction tracking survey has been introduced for our customers in the Bournemouth Water operating area to enable us to better understand our customers' views.

We believe that by communicating with our customers and listening to their feedback through these research and engagement activities, we can produce business plans that reflect customer and stakeholder priorities and deliver the best service for both regions.

We will continue to carry out further specific engagement and research to test how peoples' opinions of service improvements change in relation to the cost and potential timing of delivery.

Based on the feedback so far, the assumptions and forecasts we can make about the future and the standards we know we need to meet, we have identified a long-term strategy for the 2020-2050 period.

The requirements placed on South West Water by Government, regulators and the Price Review methodology that affect customers' bills will continue to evolve over time, so we will need to continually review our plans. What investments are needed and their timings may change to take into account priorities, the needs of finance providers and the wider impact on customers' bills.

89% of South West Water customers are satisfied with overall service

70% of South West Water customers trust us

89% of Bournemouth Water customers are happy with the relationship we have

OUTCOMES OUR CUSTOMERS AND STAKEHOLDERS VALUE

First published in 2013 our outcomes were developed following our largest ever consultation exercise with our customers and stakeholders.

CLEAN, SAFE AND RELIABLE SUPPLY OF DRINKING WATER



Prevent any taste, smell or discolouration issues and maintain our excellent water quality record.

Tackle leakage from pipes and minimise interruptions to supply.

Seek out innovative processes to make the way we treat water more effective and more efficient.

Respond to issues on our network of pipes before service is affected.

RELIABLE WASTEWATER SERVICE



Make sewer flooding a thing of the past.

Continue to make sure that we have the capacity to deal with increases in population and the effects of climate change.

Target innovation and update our wastewater treatment equipment with the best available technology.

Increase awareness of how we can all play our part to protect our environment now and for future generations.

Protect our bathing and shellfish waters and the local economy they support.

AVAILABLE AND SUFFICIENT RESOURCES



Improve water quality and natural storage by managing natural wetlands.

Look to move surplus water around the region, and the wider South West, to make sure we are all resilient to drought.

Make sure we all use water efficiently and protect natural resources for future generations.

RESILIENCE



Make sure that extreme events have no impact on the services we provide.

Maintain services by operating our business in a responsible and transparent way.

Continue to protect the services we provide from any criminal activity or cyber threat.

Invest in our people, processes and systems to make sure that we are able to restore service with minimum disruption.

The outcomes were subject to scrutiny from our Board and our independent customer challenge group, the WaterFuture customer panel, and were accepted by the regulator as part of our enhanced business plan.

The resulting eight outcomes are reflective of customer and stakeholder preference with regard to levels of investment, performance commitments, timing of interventions, protection of the environment and compliance with legislative obligations.

The outcomes are summarised below and the next section of this document expands on our vision for delivery against these outcomes, both in the medium and longer term.

RESPONSIVE TO CUSTOMERS



Resolve all customer issues quickly and efficiently.

Listen to our customers and engage with them on the service they expect from us.

Help customers to understand their water usage and how they can save water and money on bills.

Build a transparent and trusting relationship with our customers.

PROTECTING THE ENVIRONMENT



Improve our energy efficiency and increase renewable energy generation.

Aim to eliminate serious pollution issues altogether.

Work with local farmers and landowners to improve the quality of the water in our lakes, reservoirs and rivers.

BENEFITING THE COMMUNITY



Be the region's employer of choice and invest in skills for future generations.

Support our natural environment and amenities and help to protect the region's wildlife.

Continue to build links with local agencies, businesses and community groups.

Work with local schools, colleges and academic institutions.

FAIR CHARGING AND AFFORDABLE BILLS FOR ALL



Continually drive down costs to keep bills as low as possible.

Continue to support customers who have problems paying their bills and provide advice to all customers on how they can reduce their bill.

Make it easy for customers to deal with us and we will expand partnerships with trusted organisations.

Increase the number of households that are metered to ensure charges are as fair as possible for all.

CLEAN, SAFE AND RELIABLE SUPPLY OF DRINKING WATER

Having a clean, safe and reliable supply of drinking water remains the top priority for South West Water and Bournemouth Water customers.

Over the next 30 years we will embrace innovation in order to deliver our 2050 vision of 100% compliance with all current and future water quality standards. We will continue to invest in leading edge solutions to deliver sustainable improvements in the quality of our water and the resilience of the network through which it is distributed. Our position on leakage continues to be at the forefront of the industry and we will continue to drive ambition and innovation in this area in order to minimise leakage and reduce pressure on our natural resources.



MEASURES

Compliance with water quality standard
Taste, smell and colour contacts
Duration of interruptions in supply
Asset health - mains bursts
Asset health - unplanned outage

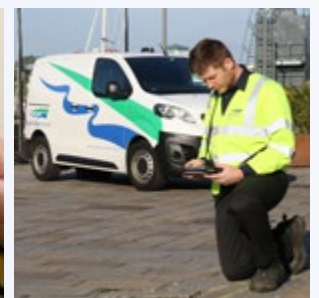
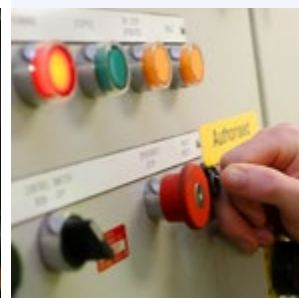
2050

OUR VISION

BY 2050 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.

OUR VISION FOR 2050

→	100%
→	Approaching zero
→	Industry leading
→	Stable
→	Stable





Investing in our assets and embracing leading edge, innovative solutions.

Increasing the resilience of our network to reduce leakage and minimise interruptions in supply.

Continue to drive improvements in water quality, taste, smell and appearance.

Investing in the workforce of the future and applying best available techniques to the operation and maintenance of our assets.



2020-2025

OUR NEXT STEPS

- Apply real-time control and monitoring to our distribution network to be able to respond to issues with our assets before customers are affected.
- Targeted investment at a number of strategic water treatment works across the region to maintain a high quality supply.
- Target those areas of the mains network most in need of refurbishment to prevent taste, smell and discolouration issues.
- Minimise the risk of interruptions by duplicating some of the strategic water mains that supply our larger regional communities.
- Explore the rationalisation of the Alderney and Knapp Mill treatment works in Bournemouth and apply innovative new technologies.
- Plans are underway to refurbish our College Water Treatment Works which supplies water to the Penryn and Falmouth areas using best available technologies.

DELIVERING ON OUR COMMITMENTS



Case study

Mayflower Water Treatment Works
– please see our Innovation report for further details

Intelligent networks
– please see our Innovation report for further details



Case study

OUR VISION

Investing in our assets and embracing leading edge, innovative solutions

Investing in the workforce of the future and applying best available techniques to the operation and maintenance of our assets is vital to ensuring that we continue to move forwards and continually strive to meet and exceed water quality standards for today and tomorrow.

Where assets have reached the end of their serviceable life we will seek out innovative solutions that deliver step changes in the quality and efficiency of the product and service we deliver.

Increasing the resilience of our network

A more resilient network, with increased real time monitoring capability, will allow us to react to issues with our assets before customers are affected.

Keeping pace with advances in network monitoring and control technology will ensure that we are well placed to control the overall pressure in our network, reducing leakage and supply interruptions to an industry leading position.

Continue to drive improvements in water quality, taste, smell and appearance

Our compliance with the current regulated water quality standards continues to be at the frontier of the industry, but we recognise there are some aesthetic issues and risks we need to address, including improvements to how our water looks and tastes in some areas. The nature of the South West, and its sources of very soft, slightly acidic moorland water, contributes to discolouration. We receive a disproportionately high number of contacts about this compared with other parts of the country.

The use of chlorine in our water treatment processes also results in taste and smell contacts, more prevalent in some parts of the region than others.

In addition to carrying out the region-wide maintenance and upgrades necessary to safeguard our industry-leading water quality record, there are several investments necessary to tackle these issues:

- Targeted, leading edge upgrades to treatment processes at a number of our water treatment works
- Water mains conditioning, rehabilitation and replacement
- Increased use of intelligent control systems and near real time monitoring and control of our network.

We are required under the current water quality regulations to take a risk-based approach to managing our drinking water quality. As a result, South West Water will continue to take proactive steps to protect and maintain our existing high standards, ensuring that our treatment processes are robust enough to mitigate any risks posed from human activity in our water catchments – such as water contaminants from agriculture or industry.



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
South West Water Regulatory Director

RELIABLE WASTEWATER SERVICE

Continued engagement with our customers reinforces the value they place on a reliable wastewater service. We want to ensure that our wastewater services are invisible to customers and those who visit our unique peninsula.

Investment in our assets and our workforce will ensure that we take advantage of innovation and best available techniques. Alongside this we will continue to work with our customers to further develop educational initiatives that help customers understand how their behaviours can impact on the wastewater system.



MEASURES

Internal sewer flooding incidents
(excluding extreme weather events)

→ Approaching zero

External sewer flooding incidents
(excluding extreme weather events)

→ Approaching zero

Odour contacts - wastewater treatment works

→ Approaching zero

Asset health - sewer collapses

→ Stable

Asset health - wastewater asset failures causing pollution

→ Stable

Compliance with sludge standard

→ 100%

2050

OUR VISION

OUR AIM IS FOR OUR WASTEWATER SERVICE TO BE INVISIBLE TO THOSE WHO ENJOY ALL THAT OUR REGION HAS TO OFFER.

OUR VISION FOR 2050





Work in partnership to increase the resilience of our network to make sewer flooding a thing of the past.

Investing in our assets and embracing leading edge, innovative solutions.

Increasing visibility across our sewer network.

Target investment at those wastewater treatment works where compliance challenges or customer contacts indicate an issue. Employ best available techniques and innovative solutions to deliver improvements that are robust and efficient to operate.

Investing in the workforce of the future and applying best available techniques to the operation and maintenance of our assets.

2020-2025

OUR NEXT STEPS

- Reduce the number of properties at risk of sewer flooding through capital maintenance schemes targeting key assets and through the ongoing adoption of private pumping stations.
- 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.
- Carry out sewer separation work at those sites most at risk of impacting the environment or 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. We will also continue to partner with local authorities and regulators on sustainable, resilient solutions.

DELIVERING ON OUR COMMITMENTS



Case study

Downstream Thinking

– please see our Resilience report for further details

Love your Loo

– please see our Resilience report for further details

Case study



OUR VISION

Work in partnership to increase the resilience of our network to make sewer flooding a thing of the past

Sewer flooding is extremely unpleasant and represents a threat to the health of people, businesses and the environment.

We have made significant progress on reducing the number of internal sewer flooding (of homes and businesses) and, as a result, very few properties in the region are now at risk. For those properties that are still at risk of internal sewer flooding, we have installed measures for temporary protection (e.g. non-return valves) with permanent solutions to be identified and carried out in future years.

External flooding (of roads, gardens, urban or public spaces) is a more widespread problem. Due to its hilly topography, the South West is particularly susceptible to flash flooding.

Given that the intensity of rainfall in our region is expected to increase, we need to invest in improvements to our wastewater treatment works and network so they can cope with changes in the volume and nature of run off water during such events.

The amount of surface water entering the sewers not only increases the risk of sewer flooding and pollution but also uses up sewer capacity. With the population set to increase dramatically over the next 30 years, additional pressure for sewer capacity is placed on the network.

We will continue to invest in separating surface water from wastewater to ensure that 'sewers for wastewater' becomes the norm.

Tackling external sewer flooding is not something we can achieve alone. South West Water will continue to work with partner agencies and organisations such as local councils to improve drainage (e.g. from highways) in order to reduce the volume of surface water entering the sewer network.

Similarly, it is our intention to encourage more customers to take simple steps such as collecting rain water in water butts for garden use in order to reduce the amount of run-off from roofs and yards.

Whilst we will continue to undertake sewer cleansing programmes, we will also continue to raise awareness with our domestic customers and retailers about the increased sewer flooding risk caused through improper use of sewers and drains.

Investing in our assets and embracing leading edge, innovative solutions

At those sites where we experience compliance challenges or where our customers tell us they experience issues we will target investment that is both innovative, and leading edge. Solutions will take advantage of best available techniques in procurement, design and build in order to deliver schemes that are both resilient and efficient to operate.

Increasing visibility across our sewer network

We plan to further the monitoring and reporting capability across our sewer network so that we are able to gather data indicating where issues are most likely to develop. We then aim to deliver a programme of proactive operational maintenance that maintains the integrity and capacity of the network and ensures we are delivering 21st century sewerage services.



For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



AVAILABLE AND SUFFICIENT RESOURCES

The population of the region is set to increase significantly over the next 30 years and with extreme weather events, such as drought, likely to be more common, this will have an increased impact on our water resources. The challenge for the next 30 years will be to ensure that water scarcity is never an issue for our customers.

Continued investment to ensure we can make best use of the water within our region. This will include ensuring our supplies are resilient to future droughts and seeking opportunities for improving connectivity within the region to give more flexibility in supply.

We will continue to reduce leakage to reduce pressure on our resources. This will also improve service reliability by reducing interruptions to supply. This will form part of an overall programme to reduce the future demand for water by promotion of water efficiency. This will also help reduce the pressure on customer bills in the future.

MEASURES

Water restrictions placed on customers

Leakage levels

Time taken to fix significant leaks

Security of supply index

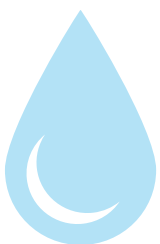
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OUR VISION

OUR GOAL IS TO PREVENT WATER RESTRICTIONS, ALBEIT WITH THE EXCEPTION OF EXTREME CIRCUMSTANCES, WHILE ENSURING OUR SUPPLIES ARE EFFICIENTLY MANAGED AND DELIVERED.

OUR VISION FOR 2050

- Zero
- 64MI/day
- All significant leaks fixed within two days
- 100%





Optimise our water resources.

Reduce leakage.

Reduce the future demand for water.

2020-2025

OUR NEXT STEPS

- We will focus on how to improve the use of water in our region through ensuring our supplies are resilient to droughts and seeking opportunities to improve connectivity across the wider region.
- Improve those areas of the mains network most in need of refurbishment to prevent leakage.
- Ensure that we maintain our current surplus and understand opportunities to share water with neighbouring companies.



DELIVERING ON OUR COMMITMENTS



Case study

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

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

Case study



OUR VISION

Optimising our water resources

Our current Water Resource Management Plan shows that our regions currently enjoy sufficient water to meet demand in all but the most extreme circumstances. Pressure from an increasing population, climate change and a commitment to environmental sustainability means we need to plan ahead to ensure we continue to supply a reliable service to customers.

Making best use of our existing supplies and ensuring they can perform during drought conditions is a key activity to prepare for any future challenges. As an example, we are currently drilling a new borehole in South Devon to offset the impact of ageing sources elsewhere and provide more resilience to the area.

We will also be preparing for future decisions we may need to make. For example, we will undertake in depth studies to understand the feasibility of new sources in the region, should we need them in the long-term, and increase our understanding of how future droughts could effect water supply.

Our long-term goal is to prevent any interruptions to our customers water supplies wherever possible. To support this we will also examine how we can improve the connectivity of the network to give more flexibility in supply and move towards our long-term goal on supply reliability.

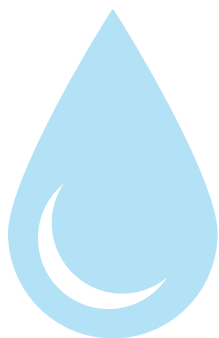
These actions will help ensure we make best use of the water we already have and ensure we meet our levels of service for customers now and in the future.

Tackling leakage

Leakage is a priority for us. We know from our customer research that it is a priority for our customers too. In addition to leakage or bursts, resulting from periods of excessively cold or hot weather causing ground movements, worn out pipes and fittings are among the main causes or contributory factors. It is our plan to continue to invest in further reducing leaks on our pipe network. We will start by identifying those pipes most likely to burst and replace them before a problem occurs. We will also look to use innovation in technology to help us identify and repair leaks in the most cost effective way.

Reducing the future demand for water

Customer research places water efficiency above the development of new sources to manage water supplies. With growing population in the region we will focus on reducing the future demand for water by extending our work on water efficiency. Reducing leakage plays an important role in this but we will also focus on supporting customers to reduce their use and focus on improving the water efficiency of our own operations. Promotion of water efficiency also helps reduce customer bills, improve affordability and improve the overall service they receive.



For more information, see supporting reports:

[Resilience report](#) 

[Innovation report](#) 

[Performance report](#) 



RESILIENCE

Significant disruption to the services we provide can have far reaching consequences for our customers, the environment and the local economy.

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

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



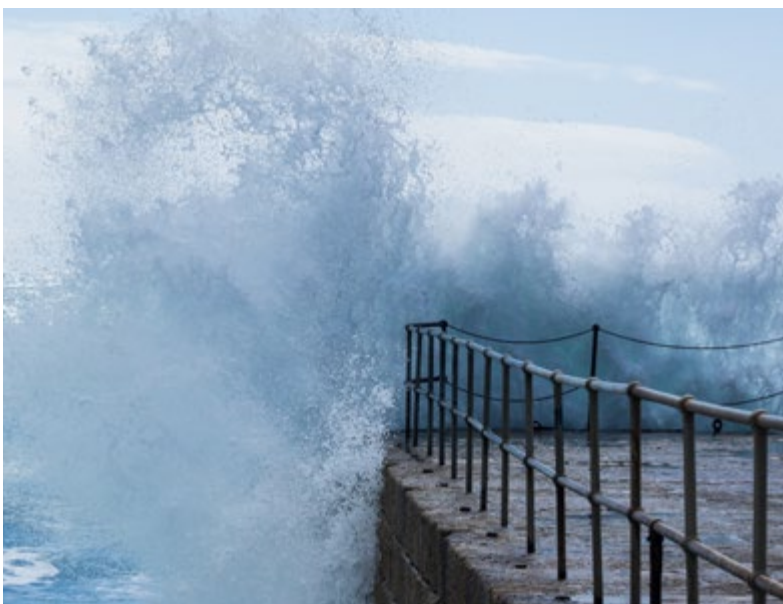
MEASURES

Risk-based resilience metric - flooding risk

→ Industry leading

Risk-based resilience metric - drought risk

→ Industry leading



2050

OUR VISION

A BUSINESS THAT IS ABLE TO ANTICIPATE RISK AND VARIABILITY AND RECOVER FROM SHOCKS IN ORDER TO DELIVER SERVICES THAT ARE RESILIENT, RELIABLE AND SUSTAINABLE.

OUR VISION FOR 2050



Continuing to meet the challenges of climate change and population growth.

Working in partnership across industry sectors and with local and national agencies.

Continue to invest in sector skills through academic partnerships and apprenticeships.

Continue to assess and mitigate the risk presented by global cyber security threats.

Reviewing our target operating model to maintain resilient services on a 24/7 basis.



2020-2025

OUR NEXT STEPS

- Continue to invest in the future of the sector to meet the challenges of a predicted sector skills gap.
- Target investment in reinforcement and inter-connectivity of our water distribution network.
- Improve the resilience of our most vital assets and infrastructure at key locations so that service to customers is not interrupted by extreme events such as flooding. This will involve working closely with local flood authorities to develop defence schemes for those communities most at risk.
- Working with our supply chain and Local Resilience Forum to share cross sector best practice when dealing with events or incidents.
- Put measures in place to limit the impact of climate change on our assets. This includes flood prevention measures at Countess Wear delivered in partnership with the Environment Agency.

DELIVERING ON OUR COMMITMENTS



Cyber Security



Financial Resilience



River Exe / Countess Wear

Please see our Resilience report for further details

OUR VISION

Continuing to meet the challenges of climate change and population growth

Our region is not immune to natural and other extreme events which could have an impact on the business and operation in both the South West Water and Bournemouth Water areas.

As the provider of essential services, South West Water has a responsibility to take steps that ensure the safe and secure provision of water and wastewater services at all times. It is our aim to increase the amount of protection we have for our assets and systems in the face of an uncertain climate and a growing population.

Working in partnership across industry sectors and with local and national agencies

Through the sharing of industry best practice, whichever sector it may originate from, we plan to ensure that operating processes and procedures are continually reviewed in order to provide the best possible response to, and recovery from events and incidents.

We will also continue to work in partnership with our supply chain and our regulators to deliver solutions that are effective and efficient.

Continue to invest in sector skills through academic partnerships and apprenticeships

Continued investment in the future of our industry is essential, with a significant skills gap forecast across the utilities sector over the next decade. In order to meet this challenge we continue to invest in the future, with over 100 apprentices having joined the business in recent years. Our relationship with local colleges and the University of Exeter network continues to provide benefit both in terms of developing the workforce of the future and providing a platform for innovative research and development programmes, such as our award winning upstream thinking initiative.



Continue to assess and mitigate the risk presented by global cyber security threats

We will continue to monitor and mitigate the threat posed by global cyber security attacks.

South West Water has a mature Security Strategy which incorporates two discrete systems, one for our corporate IT infrastructure and the other for operational control and monitoring purposes.

We will continue to invest in both systems to ensure that we are able to keep pace with emerging threats and maintain a stable service to customers.

Reviewing our target operating model to maintain resilient services on a 24/7 basis

We will continually assess and refine our target operating model. This process will ensure we are best placed to take advantage of industry best practice and adapt our service offering to meet the changing needs of our customers.

We recognise the need to offer services that our customers value and will work with them to understand how we can adapt to meet their expectations and those of our key stakeholders and regulators.

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



RESPONSIVE TO CUSTOMERS

To provide responsive, innovative and cost-effective services that meet our customers' needs and priorities.

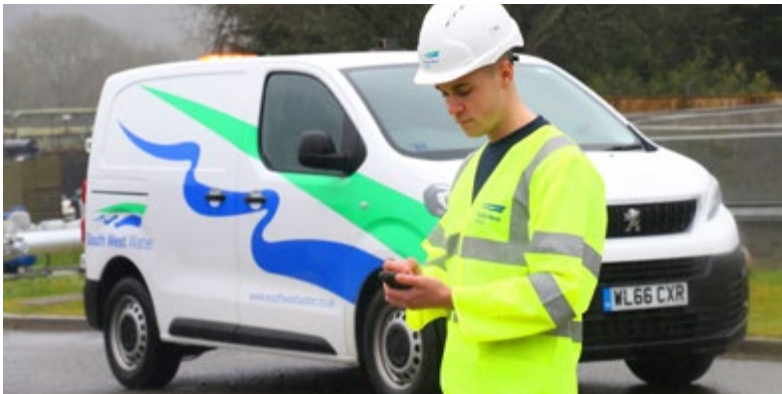
Our customers expect us to deliver an excellent service that represents good value for money.

The improvements in customer service that we have made in recent years have resulted in increased customer satisfaction but we know we can do more by focusing on engaging with and listening to what our customers tell us about our services and how we can improve them to meet their needs and deliver against their priorities.



MEASURES

Operational contacts resolved first time - Water	→ 100%
Operational contacts resolved first time - Wastewater	→ 100%
Customer experience measure	→ Industry leading
Customer overall satisfaction	→ Approaching 100%
Customer satisfaction with value for money	→ Industry leading



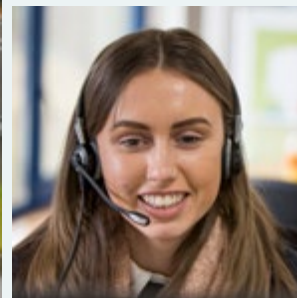
2050

OUR VISION

WE AIM TO PROVIDE OUR CUSTOMERS WITH EXCELLENT SERVICE WHERE CUSTOMER SATISFACTION AND VALUE FOR MONEY ARE PARAMOUNT.

OUR VISION FOR 2050

→ 100%
→ 100%
→ Industry leading
→ Approaching 100%
→ Industry leading





Prevent any issues with the services our customers rely and resolve all customer issues quickly and efficiently.

Be easy to talk to and responsive at all times.

Continue to listen to our customers and engage with them on the services they expect from us.

Help all customers understand their water usage and how they can save water and money on bills.

Build a transparent and trusting relationship with all our customers.

2020-2025

OUR NEXT STEPS

- Improve customer satisfaction with overall services.
- Offer a complete range of communication channels, that allow customers to contact us how and when they want.
- Work with partners in the community to improve our response when issues such as supply interruptions arise.
- Invest in our people and systems to ensure customers receive a service that is friendly and tailored to their needs.



DELIVERING ON OUR COMMITMENTS



Case study

Customer leakage co-creation

– please see our Customer Service report for further details

OUR VISION

Prevent any issues with the services our customers rely and resolve all customer issues quickly and efficiently

Our customers have told us that what makes a great customer experience is the absence of a problem, however when problems are experienced, customers want to be able to contact us easily and for the problem to be resolved efficiently and effectively.

Be easy to talk to and responsive at all times

Customers' expectations and preferences are constantly evolving and changing and in our long-term planning we need to be mindful of future advances in technology and how customers think and feel about the services we provide.

Of paramount importance to our customers is that we are easy to do business with and they can contact us in the way that they want, when they want. It is important that we have a range of channels for customers to use and respond to how those channels may change over time. As well as ensuring we keep up with the latest technology to help deliver enhanced levels of customer service we need to invest in our people to ensure they are well equipped to deliver a flexible and friendly service, tailored to the needs of each customer as an individual.

Continue to listen to our customers and engage with them on the services they expect from us

Our customers tell us that they are interested in knowing more about the services we provide, from simply knowing where their money goes, understanding how to reduce their bills, to being involved in designing services.

Help all customers understand their water usage and how they can save water and money on bills

We will find the best opportunities to engage with customers to meet their increasing desire to know more about how their behaviours and our activities impact their bills and the environment we live in.

Build a transparent and trusting relationship with all our customers

In order to provide a more personalised experience that customers are receiving in other sectors we need to look at how we collect and use personal information taking into account customer concerns in this area, ensuring that protocols must be for the benefit and protection of our customers. Being transparent with customers and building trust is key.

We will extend the partnership working we have already developed to support customers in vulnerable circumstances, working collaboratively with other organisations means we can enhance the services we provide to customers.



For more information, see supporting reports:

[Innovation report](#)

[Performance report](#)



PROTECTING THE ENVIRONMENT

The South West is blessed with a unique natural environment that has shaped the culture and lifestyle of the region while providing the focus for a thriving tourism and hospitality industry.

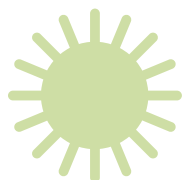
Our aim is to protect the environment by preventing harmful pollution incidents, ensuring our wastewater treatment works meet any new regulations, minimising our carbon footprint and improving raw water quality through our 'Upstream Thinking' catchment management initiative.

Our customers attach a high importance to the environment and they expect us to protect it at all times. Our long-term vision is to be an industry leader in protecting the environment through implementing environmentally sustainable actions and initiatives.

Protecting our environment also helps ensure our area is more resilient to future pressures such as climate change and supports many of our other strategic aims.

MEASURES

Sustainable abstractions	→ 100%
Sustainable abstractions (number of EA/WFD improvements required)	→ Zero
Wastewater treatment works numeric compliance	→ 100%
Wastewater treatment works descriptive compliance	→ 100%
Category 1 - 3 pollution incidents - Water	→ Industry leading
Category 1 - 3 pollution incidents - Wastewater	→ Industry leading
Wastewater treatment works population equivalent compliance	→ 100%
Biodiversity scorecard	→ 100%
Carbon emissions	→ Decreasing emissions year on year
Energy from renewable sources	→ 50% of energy requirements generated on site



2050

OUR VISION

IMPROVE OUR ENERGY EFFICIENCY AND INCREASE RENEWABLE ENERGY GENERATION, REDUCING OUR CARBON FOOTPRINT AND PROTECTING THE REGION'S NATURAL ENVIRONMENT FOR EVERYONE'S BENEFIT.

WE WILL INTRODUCE INNOVATIVE TREATMENT TECHNOLOGIES REDUCING THE AMOUNT OF CHEMICALS NEEDED FOR DRINKING WATER AND WASTEWATER TREATMENT.

OUR VISION FOR 2050





Eliminate harmful pollution incidents.

Robust wastewater compliance.

Achieving improved energy efficiency and a reduced carbon footprint.

Improving raw water quality.

improving biodiversity.

2020-2025

OUR NEXT STEPS

- Support and develop access and recreation opportunities with South West Lakes Trust and other partners at our lakes, land holdings and reservoirs.
- Increase the capacity and standard of our wastewater treatment processes at priority sites affecting bathing waters and Sites of Special Scientific Interest (SSSIs).
- Develop education schemes in partnership with local schools, colleges and universities.
- Continue our work with farmers and land owners to improve raw water quality.
- Provide a wider range of conservation activities for our customers to enjoy such as sponsored river walks and rockpool rambles.
- Put measures in place to limit the impact of climate change on our assets. This includes flood prevention measures at Countess Wear and steps to control the amount of salt water entering our waste network as a result of sea level rises and storm surges in places like Salcombe, Fowey, Falmouth and Plymouth.

DELIVERING ON OUR COMMITMENTS



Case study

Upstream Thinking
– please see our Resilience report for further details



OUR VISION

Eliminate harmful pollution incidents

Our long-term goal is to eliminate harmful pollution incidents altogether. The next five years will see our continued focus to reduce the risk of pollution incidents even further. With population growth and climate change impacts facing our region this will need to focus on both the performance of our network and treatment assets. Tackling the causes of pollution will require partnership working with other agencies and organisations in addition to working with customers to reduce the potential for the misuse of sewers.

Wastewater compliance

In 2016, we have delivered our best ever performance in compliance against the Environment Agency's wastewater treatment measures but we recognise that to be an industry leader in this area, there is more work to be done to improve compliance further. We will continue to invest in our wastewater treatment assets to ensure they are compliant both now and in the long term.

Achieving improved energy efficiency and a reduced carbon footprint

South West Water is one of the largest users of energy in the region. Over the last two decades much of our investment has been driven by quality regulations and planning permissions, requiring new facilities built in environmentally sensitive locations. This has resulted in a significant increase in our power and chemical usage and it means that our wastewater operations are exceptional in terms of their carbon emissions. The nature of the South West provides further opportunities for renewable power generation and renewable technologies will play an increasing role in our energy strategy.

We are intending to develop the full potential of hydro power at all our sites where water pressures and volume make it viable. We are already taking steps to reduce our energy usage and carbon footprint.

Over the next 30 years we will continue to invest in order to achieve the following:

- 50% of the energy we use will be generated on-site by 2040
- Carbon emissions will be reduced in line with the national framework (an 80% reduction due by 2050 based on 2006 baseline).

Improving raw water quality

The cleaner the water is when it arrives at a treatment works, the less intensive the treatment required.

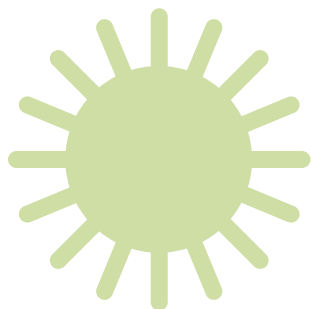
The amount of pollution that enters the water system before it reaches us is a key concern.

Through our Upstream Thinking programme, launched in 2007, we have been carrying out extensive farm and moorland improvements and are working to incentivise more sustainable land management. This is ultimately designed to improve raw water quality by limiting the amount of pollutants and agricultural run-off entering our waterways.

We have already seen multiple benefits from Upstream Thinking and in the long-term this will reduce the cost of water treatment and also the expense of repairs or replacement of our water treatment assets.

Improving biodiversity

We have a rich and varied environment in our regions. We will look at ways to improve biodiversity in what we do and ensure we meet our legislative obligations.



For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



BENEFITING THE COMMUNITY

Our vision is to sustainably improve our services while having a positive impact on the communities we serve and the people we employ. As a large private sector investor in the region, a major employer and key infrastructure provider, our actions affect the communities we serve.

By ensuring that our activities have a positive impact on recreation amenities such as bathing waters, river water quality and supporting leisure activities at our reservoirs, we are able to support the region's tourism industry.



MEASURES

Bathing water quality	→ 100% compliance
River water quality	→ Industry leading
Community scorecard	→ 100%
Benefit value to the regional economy	→ Increasing benefit year on year



2050

OUR VISION

WE AIM TO BE ONE OF THE REGION'S BEST COMPANIES TO WORK FOR BY SUPPORTING OUR STAFF, PROVIDING A SAFE WORKING ENVIRONMENT AND GIVING THEM THE SKILLS THEY NEED TO DO THEIR JOBS AND THE INCENTIVES AND OPPORTUNITIES TO FURTHER THEIR CAREERS.

WE AIM TO CONTINUE TO WORK CLOSELY WITH OUR LOCAL SUPPLY CHAIN WHEREVER POSSIBLE.

OUR VISION FOR 2050

- 100% compliance
- Industry leading
- 100%
- Increasing benefit year on year



Being the employer of choice.

Supporting the local economy.

Partnering with local academic institutions to further skills for the sector.

Continuing to invest in and protect our bathing and shellfish waters.

Continue to support the provision of amenities in partnership with South West Lakes Trust.

2020-2025

OUR NEXT STEPS

- Continue to work with South West Lakes Trust to provide amenities at our reservoir and bankside storage sites 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.
- Through partner agencies, we will promote the use of reservoirs for leisure activities such as sailing and windsurfing.
- Continue to promote our community based campaigns that help you to help us, such as our award winning 'Love your Loo' campaign.
- Continue to invest in our people to provide the skills for future generations.



DELIVERING ON OUR COMMITMENTS



Case study

Education University Technical College

– please see our Innovation report for further details

Local Resilience Forum/ Mutual Aid

– please see our Resilience report for further details

Case study



OUR VISION

Being the employer of choice

It is our aim to be one of the region's best companies to work for and we pride ourselves on being a responsible employer, attaching paramount value to safety, training and the needs and ambitions of our employees.

Strict health and safety regulations require significant investment to meet and we have detailed strategies in place to prevent incidents and promote best working practice and wellbeing. We will continue to take all steps necessary to ensure we adhere to health and safety guidance while also promoting safe working practices through in-house initiatives.

Partnering with local academic institutions to further skills for the sector

Succession planning will play an increasingly important role to ensure that essential skill levels within the organisation are enhanced and linked to our plans for the future.

We have already implemented various development programmes and we will continue to expand these to ensure we have the right balance of skills for the years ahead. Our apprenticeship schemes have been a success, resulting in expansion of the scheme from operational areas to other departments across the business and our apprentices have been recognised through the National Apprenticeship Awards. We value the benefits our apprenticeship schemes have brought both us and our apprentices and we will continue to expand and develop the scheme. South West Water is an equal opportunities employer, which recognises the importance and benefits of a diverse workforce.

We will also continue to develop our partnership with South Devon University Technical College to help develop the next generation of scientists, engineers and environmentalists who will play an important role in the future of the organisation.

Supporting the local economy

As a large private sector investor in the region we will continue to support regional employment both directly through employment opportunities and indirectly through our investment activities. We are also able to continue to support the region's tourism industry. Our beautiful local environment encourages tourists to visit the region and therefore we must ensure that we have no harmful impact on the recreation amenities (such as bathing waters) that they come to the region to enjoy.

Continuing to invest in and protect our bathing and shellfish waters

The tourism, fishing and shellfish industries are all vital to the economy of the South West and its quality of life, so it is imperative that we protect coastal and river water quality.

In order for us to achieve this objective we will continue to invest in:

- Separating surface and wastewater to prevent spillages from combined sewer overflows (CSOs) during extreme wet weather events
- Improving our pumping stations to prevent storm overflows into the most sensitive environments such as shellfish and bathing waters
- Using innovative new technologies to monitor sewer and surface water drain levels to help prevent any pollution events through improved early warning systems
- Carrying out more frequent sewer cleansing work to reduce the risk of sewer blockages.





Provision of amenities in partnership with South West Lakes Trust

Our lakes and reservoirs are already destinations for both those who live in the region and those who visit. They provide ideal opportunities for a range of activities such as watersports, bird watching and fishing. The recreational, conservation and public access opportunities at these sites are managed by the South West Lakes Trust (www.swlakestrust.org.uk), an independent charity established specifically for this purpose.

We back the Trust's aim of providing more access, education and leisure opportunities, while ensuring the protection of wildlife and the natural environment around our lakes and reservoirs.

We recognise that we play a critical role in supporting our local communities through the provision of essential services. We will continue to ensure that we support those local communities, particularly when these services are needed the most.

A recent example is the key role we played in providing water for the fire service during a major fire at the Royal Clarence Hotel in Exeter city centre in October 2016.

For more information, see supporting reports:

Resilience report 

Innovation report 

Performance report 



FAIR CHARGING AND AFFORDABLE BILLS FOR ALL

Our vision is to continue supporting the regional economy through the provision of resilient services, ensuring our investment plans are balanced and in the areas that deliver the maximum for our customers, whilst keeping costs as low as possible.

South West Water plays a significant role in the regional economy, supporting thousands of jobs both directly and indirectly through the contractors and suppliers with which we work. In order to stay successful we need to continue to grow and attract the lowest rates of finance. To achieve that, we need to make sure we are as efficient as possible, making the most of our resources and having a positive impact on the local economy.

2050

OUR VISION

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.

MEASURES

Customers paying a metered bill

Total expenditure efficiency indicator

Customers assisted by our water poverty initiatives

Customers with a SMART meter

Customer water consumption levels

OUR VISION FOR 2050

→ Where practical, all customers paying a measured charge

→ Industry leading

→ All customers eligible for help assisted by affordability initiatives

→ Where practical, all customers have a SMART meter

→ Lowest in the industry





Driving cost efficiency.

Financing strategy.

Balanced investment plan.

Affordability and tariffs.

2020-2025

OUR NEXT STEPS

- Achieve value for money for our customers by being as efficient as possible in delivering our services and investment plans.
- We will make it as easy as possible for customers to access and apply for help.
- 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.
- Realising the benefits to our customers of installing SMART meters.
- Provide advice to customers on how to save water and in doing so reducing their bill.
- We will offer a number of initiatives, including social tariffs to assist those struggling to pay their bills.



DELIVERING ON OUR COMMITMENTS



Case study

Watershare
– please see our Innovation report for further details

Affordability
– please see our Affordability report for further details

Case study



OUR VISION

Driving cost efficiency

Through continuous innovation and our drive on cost efficiency within the business, we have made substantial progress on making efficiencies in the costs that we incur.

We work in collaboration with our suppliers through innovation and continuous improvement 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 steps to minimise our energy usage are successful examples of this.

Financing strategy

The challenge for South West Water is to attract and secure the finance we need to undertake improvements to the services we provide, with fair returns to investors and minimum cost to customers.

Finance is provided from three sources: customer bills, borrowing from debt finance providers and raising money from equity finance providers (shareholders). The investment required to make improvements since privatisation has been financed by both customers and finance providers. Funding from finance providers will continue to be required for the next 30 years.

In order to raise finance in a cost-effective manner there must be confidence that the returns our funders receive on their investment are secured. This ensures that customers pay the minimum amount necessary for the services they receive over the long term. Finance providers are more likely to invest in a company with sufficiently attractive profits in the long term to retain and attract such investment.

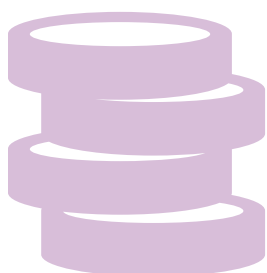
A stable and trusted regulatory framework is also necessary. Financial resilience requires financial providers to be attracted by a rate of return that is fair when balanced against the risk of their investment.

Balanced investment plan

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

We will also target the timing of the investment programme over the next 30 years to minimise dramatic changes to customers' bills as far as possible whilst recognising that external pressures such as climate change or new legislation may mean that we need 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. 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.



For more information, see supporting reports:

[Resilience report](#) 

[Innovation report](#) 

[Affordability report](#) 

[Performance report](#) 



Affordability and tariffs

It is our aim to treat customers appropriately to their circumstances and we will continue to offer a number of initiatives to assist those struggling to pay their bills through a free debt helpline, payment plans, water meter and water saving advice, to help keep bills to a minimum.

Our affordability measures to support those struggling to pay their bills include:

- **WaterCare Tariff** – introduced in 2013, supporting customers on very low incomes with up to 50% bill reduction
- **WaterCare** – operating since 2007, this programme assists customers in debt through a benefits and tariffs review, free metering and free water-saving devices. In 2011, its scope was extended as WaterCare+ and now also includes free energy saving tips and advice (SWW only)
- **Restart** – helping customers who are in debt to reduce their debt by incentivising them towards a pattern of regular payments (SWW only)
- **FreshStart Fund** – administered by Plymouth Citizens Advice and overseen by an independent Governance Board, this fund is available for customers who encounter a change in circumstances that leads them to debt, and involves giving grants to write off water debt. The average grant awarded to customers qualifying for FreshStart in 2016/17 was around £455
- **Money advice sponsorship** – since 2006 South West Water has provided funding to Plymouth Citizens Advice to support debt advice training throughout the South West, making sure they have close contact with the company and a full understanding of the assistance available
- We have established a ‘water debt gateway’ within Plymouth Citizens Advice. Customers struggling with their water bills can access the full range of affordability measures through a trusted third party
- **WaterSure** – the take up of WaterSure in the South West accounts for nearly 11% of all WaterSure customers in England.

We will use a combination of metering, water efficiency and new tariff approaches to help any customers with affordability issues and we will work with guidance from Ofwat, Consumer Council for Water (CCWater) and Defra in developing our tariff approaches.

The majority of our customers (80%) are already on a meter, some of our customers that would benefit from being on a meter still remain on an unmeasured bill. The benefits for switching to a meter include:

- Only paying for what they use
- Being more aware of the value of water and their own usage
- Being able to get assistance if they struggle to afford their bill.

Technological advances in SMART metering will enable more customers to have control over their water use and enable us to provide more tailored support. SMART metering will also enable us to explore more innovative tariff options for customers.

Technology may also help customers access the support they need more quickly and we are already developing an APP to help customers apply for support tariffs.

We will develop our debt management strategy in order to keep it at a minimum and reduce the knock-on effect it has on customer bills. First and foremost, our strategy is designed to differentiate between those who have real difficulty in paying and those who could pay but simply will not.

The activities below will be used to help us recover debt:

- Development of our credit management system
- Working with other agencies such as the Citizens Advice Bureau
- Seeking legislation to increase the responsibility of landlords and allow greater data sharing with local authorities and other public bodies to help us manage debt.



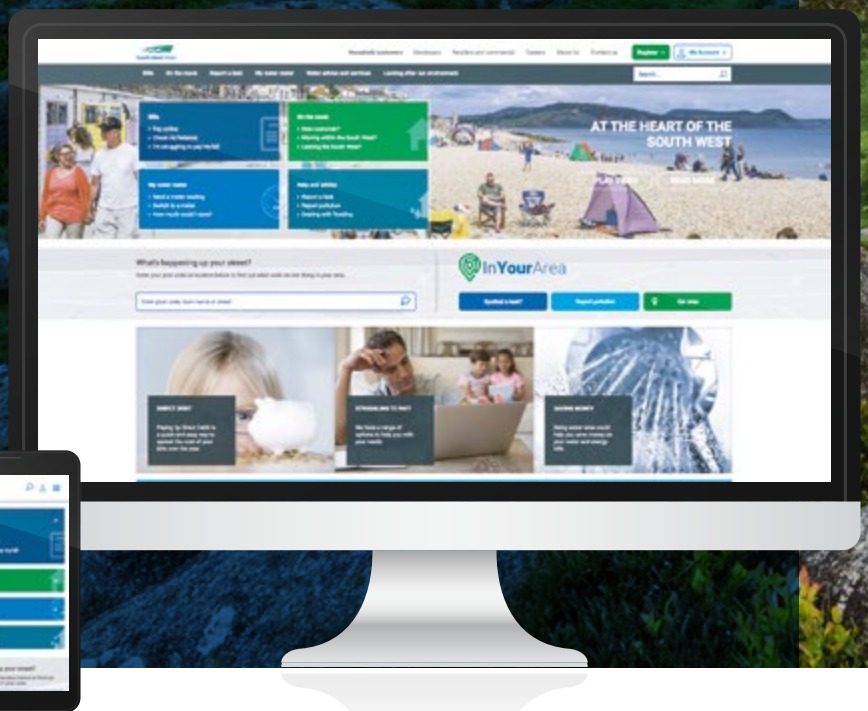
HAVE YOUR SAY

We welcome your views on the issues we have set out in this document, and any others you believe are important. The information you provide will help us to prepare a balanced plan.



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**





Dartmoor, Devon



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