



# OUR BUSINESS PLAN

2025-2030

# WELCOME!

Presentation – 24 May 2023

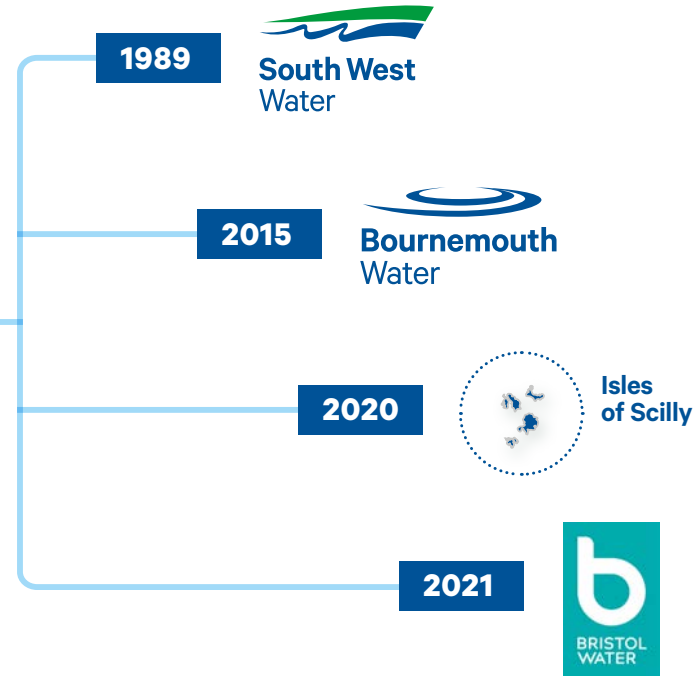


YOUR  
WATER  
YOUR  
SAY

Your  
water

your  
say

# Who we are



Our purpose

## Bringing water to life –

supporting the lives of people  
and the places they love for  
generations to come



**YOUR  
WATER  
YOUR  
SAY**

# The regions we serve



**10 million**  
tourists

**4**  
National  
Parks

**10**  
Areas of  
Outstanding  
Natural Beauty

Oldest  
water  
company



**Bristol** –  
the South West's  
business hub

Water only  
services



Serving

**c. 3.5 million**  
residents  
and  
**c. 100,000**  
businesses

**150**  
bathing  
beaches



**32**  
shellfish  
waters



**South West  
Water**

Water &  
wastewater  
services

**Bournemouth  
Water**

**c. 3,200**  
employees



Isles  
of Scilly

**860 miles**  
of coastline



**Sharing  
outperformance**

**Giving customers a  
stake in our business**

**YOUR  
WATER  
YOUR  
SAY**

# What we do

**653**  
wastewater  
treatment  
works

**24,000**  
kilometers  
of sewers

*The water cycle*



**27**  
reservoirs

**58**  
water  
treatment  
works

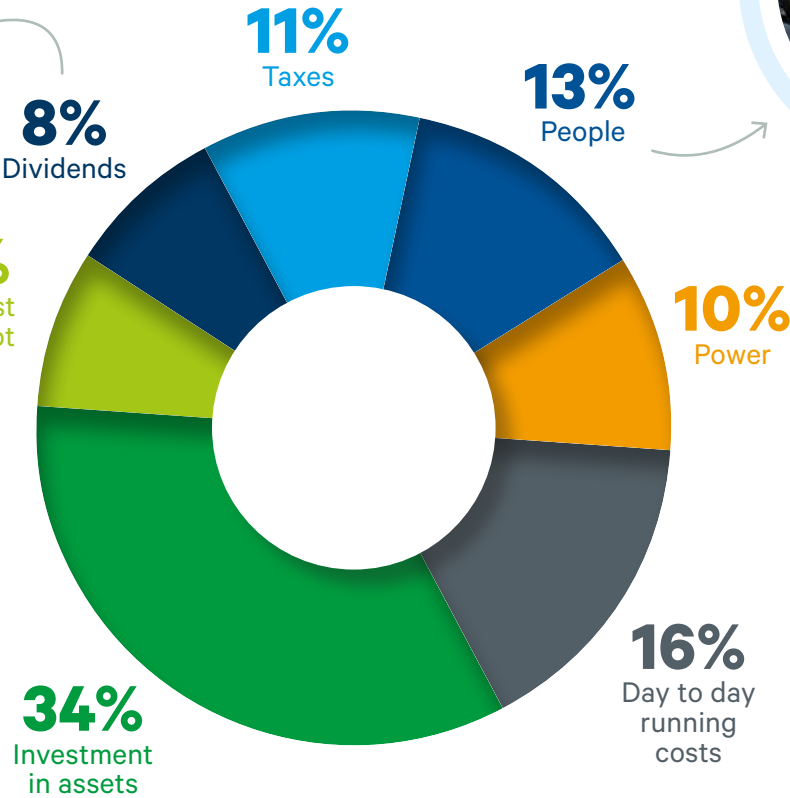
**25,000**  
kilometers  
of water pipes



# How much does this all cost?

Our annual spend is around  
**£900m**

We finance large programmes of investment using a mix of loans and equity from shareholders. This allows us to spread the costs over time to keep customer bills low and stable. In return we pay interest on our loans and dividends to our shareholders.



Day to day running costs include maintenance costs related to our network and treatment works, chemical costs for water treatment, and other operational costs.

Of the £900m spent each year, around £700m comes from the money we collect from customers. The rest comes from other sources of finance – this helps to spread the cost over a longer period of time to keep bills stable and lower.

Around  
**£300m**

# What is important to our customers

To develop our plans, we've asked over 20,000 customers what they want – and we've listened.



**WaterShare+**

**“Our environment is our biggest asset and I think that needs to be protected, so I think that’s the biggest challenge.”**

Bristol future customer

**“Storm overflows that are specifically effective in places like beaches need priority rather than something across all of the overflows.”**

SWW customer, Aged 56+

**“The cost of bills... I think that’s the one that has the most immediate impact on the customers.”**

Bournemouth future customer

**“I know I have safe, drinkable water coming out of my taps.”**

SWW customer, Aged 45-59

**“I think they’ll have to increase prices because demand will go up if the population growth is going up, and there is a need to protect the environment.”**

Bournemouth customer, Aged 46+

# Our journey so far

	20-30 YEARS AGO		NOW
<b>Water quality</b> – samples failing tests	2%	→	<b>0.04%</b>
<b>Sewage treatment</b>	250 raw sewage outfalls open	→	<b>All raw sewage outfalls closed</b>
<b>Sewer flooding inside properties</b> (per 10,000 properties)	3.8	→	<b>0.63</b>
<b>Sewage</b> – sludge disposal	30% disposed to sea	→	<b>100% treated/harvested into fertilizer</b>
<b>Bathing waters classed as good or excellent</b>	28%	→	<b>99%</b> <small>← with 100% meeting legal standards</small>
<b>Leakage</b> (millions of litres per day)	1/3 higher than today	→	<b>126</b>
<b>Low pressure</b> (properties)	0.70%	→	<b>0.02%</b>
<b>Supply interruptions</b> (average minutes per property)	Up to 60+	→	<b>5-10 minutes</b>
<b>Reservoirs</b>	24	→	<b>27</b>

# Challenges we now face

## More extreme weather events



- Fivefold increase for heavy rainfall events
- 17% increase in extremely wet days
- Increasing risk of flooding

## Hotter and drier summers



- Reservoir levels lower
- River abstraction reduced equivalent to supplying 250,000 people
- Raw water quality impacted

## Rising sea levels



- Large coastal population
- 1/5 of our treatment works at risk
- 100's kilometres of network

## Growing population



- Another half a million residents by 2050
- 10 million tourists visit the region every year



# Our plan for 2025 to 2030



- Reducing leakage by up to 15% (enough to fill 2,600 Olympic swimming pools per year)
- Investing in new sources – equivalent to water used by 150,000 people
- Start building new regional sources of water, including a new reservoir at Cheddar
- Help people use less water by installing half a million smart meters



- Everyone has water that is safe, looks good and tastes great
- Major upgrades to 16 water treatment works
- Replace cast iron mains that can affect how your water looks
- Replace up to 50,000 lead pipes across the region



- Prioritising beaches – making water fit for recreational use all year round
- Protecting ecologically sensitive rivers – halving our negative impact
- Using sustainable solutions which boost and protect nature

# Our plan for 2025 to 2030



- Upgrading 90 works to meet ever tighter environmental standards, protecting rivers and wildlife
- Including 7 works, as part of doing our bit to unlock stalled housing development in environmentally sensitive areas
- Extending mains sewerage, removing septic tanks which could harm the environment
- Innovation to address micro-plastics and forever chemicals

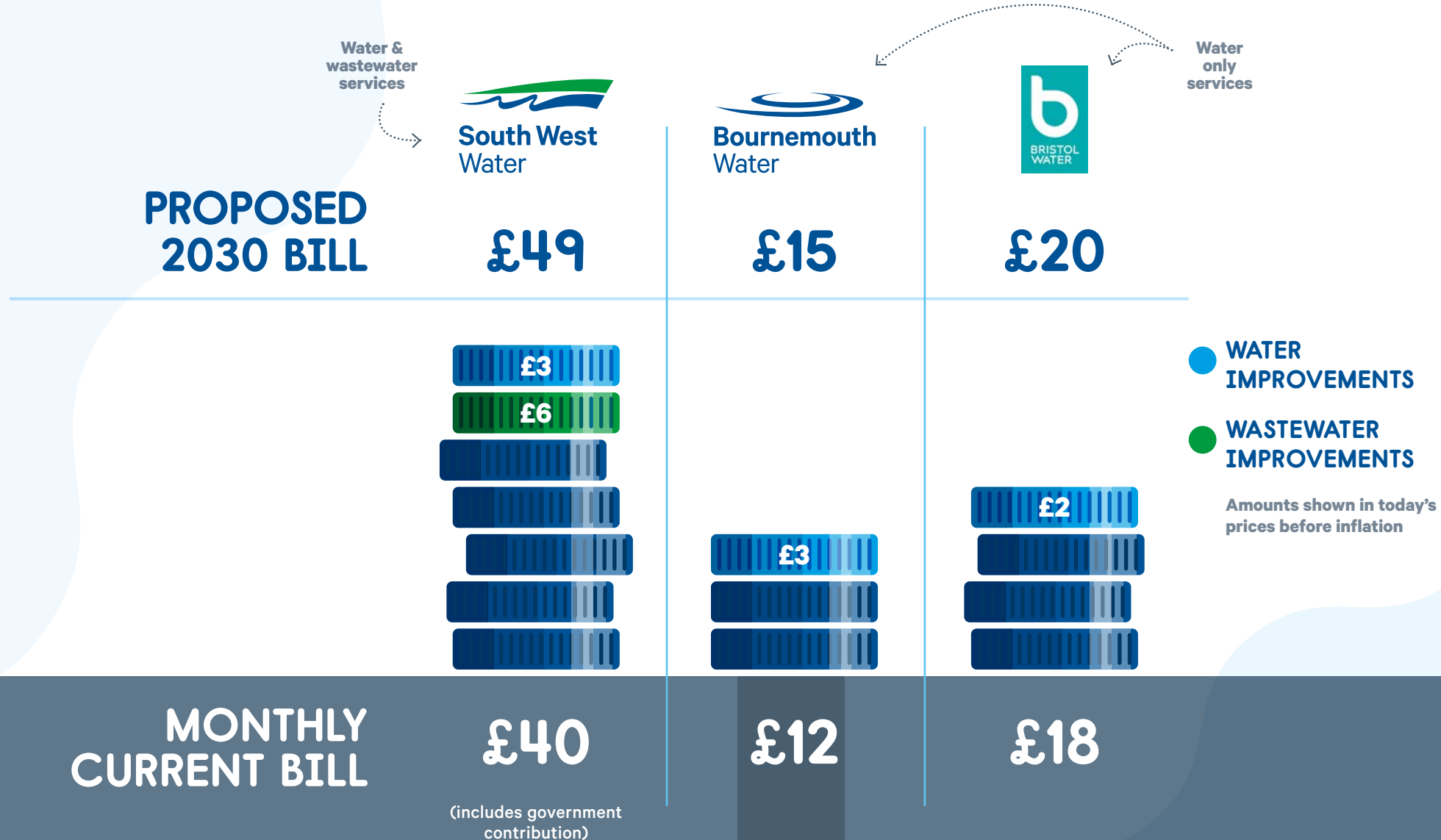


- Improvements to treatment of biosolids to reduce nutrient runoff into rivers
- Generating 58 GWh of energy from sewage – enough to power 20,000 homes
- Saving 11,000 tonnes of carbon each year – c.10% of our journey to net zero by 2030



- 125,000 hectares of habitat creation, including peatland and seagrass restoration
- 1,000 smart ponds to attenuate flood water and protect river flows
- Zero carbon footprint from our operations
- 50% renewable energy generation at our sites

# What this means for your bill





Our purpose

## Bringing water to life –

supporting the lives of people and the places they love for generations to come

**Our region is special** – we care deeply about where we live and work

**Our story so far – investing in our region –** improving services and the environment, supporting economic growth

**Significant challenges lie ahead** – we are already responding to these, guided by our longer term plans

We know what we need to do – **we understand the needs of our region and what customers and stakeholders expect of us**

**Taking your views on board** – we've reflected your priorities and views within our proposed plans and we look forward to hearing more from you today





## Q & A

### We'd love to hear more from you

- Is our plan meeting your top priorities?
- Are we going fast enough?
- What would you like to see more of or less of in your area?

### Next steps after this meeting

We will take your views on board and keep talking with our regulators, stakeholders and customers to get the plan right.

Our next open customer forum meeting will be held on 23 June, hosted by our independent WaterShare+ Panel, who represent the interests of customers across our region.

Register at [southwestwater/about-us/watershareplus](https://southwestwater/about-us/watershareplus)