



Delivery Plan Progress Report

2025-26 Full-year Update

A joint report for the areas served by South West Water, Bristol Water and SES Water

Contents

Contents	1
Executive Summary	2
South West Water Overview (1 of 2)	3
South West Water Overview (2 of 2)	4
Bristol Water Overview	5
SES Water Overview	6
Introduction and Requirements	7
Progress Summary Overview	8
Progress Summary Tables	11
High-Profile Scheme Updates	19
Detailed Commentary	22
South West Water (wastewater)	22
South West Water (water)	30
Bristol Water	37
SES Water	41
Appendix A - Material Changes	46
Appendix B - Glossary of PCDs	49
Appendix C - Assurance	53
Appendix D – Output Delivery RAG rating	54

Executive Summary

Standing at £3.2billion of capital investment, the 2025-2030 period is our largest investment programme since privatisation. Our investments will deliver what matters most to our customers and communities by delivering significant improvements that help us achieve our vision for a sustainable future.

We are pleased to publish our Delivery Plan Progress Report to update our customers and stakeholders over how we are progressing with key projects that matter to them, such as on:

- **Building water resources, improving water quality** – where 10 of our drinking water quality schemes have started construction on our sites
- **Tackling storm overflows and pollutions** – where we have already completed 11 schemes, most notably in Dawlish
- **Driving environmental gains and delivering Net Zero** – where we have accelerated the completion of a nature-based treatment scheme to improve wastewater quality. This investment wasn't due until 2030
- **Supporting affordability, delivering for customers** – where we have made a strong start to our smart metering programme by installing over 342,945 meters this year

Our delivery plan reinforces our commitment to being open and transparent about the work we're doing for your community and the environment.

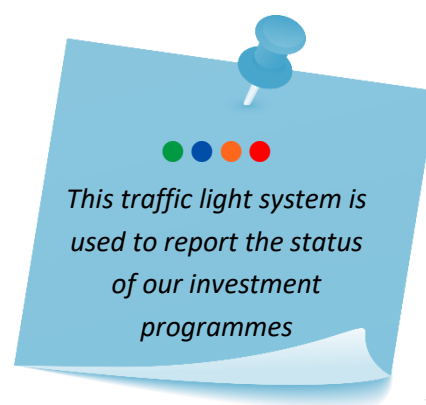
How we are performing

We provide detailed progress reporting to the industry regulator (Ofwat) using their reporting tables for all programmes of activity. This helpfully includes an agreed traffic light system that shows a simplified status of each improvement area.

We have 402 individual schemes (with tracked milestones) being delivered over the 2025-30 period. To make things manageable we group investments into improvement programmes, for example, mains replacement. Across Pennon Group we have 43 programmes that are being monitored and reported to our regulators (42 of these programmes are assessed via a formal RAG assessment against delivery expectations by 2029/30).

Assessment	Number	Percentage	Description
 On Track	37	88%	37 of our investment programmes are on track to achieve the delivery targets set out in our PR24 business plan
 Changes	3	7%	Three of our investment programmes have agreed changes with our regulators (EA and the DWI) or have schemes that are no longer required
 Moderate Risks	2	5%	There are moderate to high risks for two programmes but there are sufficient mitigation plans in place
 High Risks	0	0%	There are zero programmes with high risks and insufficient mitigation plans

The delivery status for Pennon Group above is similar across our regions with investment programmes on track, or with agreed changes, for 92% of the programmes in South West Water region, 100% in Bristol and 100% in SES.



South West Water Overview (1 of 2)

Building water resources, improving water quality

● **Replacing water mains**

We have delivered 26.8km of mains this year and we are on track to replace 284.1km of water mains by 2029/30, which will reduce mains bursts, improve leakage and reduce the risk of supply interruptions

● **Improving water quality**

We are on track with our £68m investment programme to improve drinking water quality at seven water treatment works. This will reduce taste and discolouration issues through the use of more modern treatment processes

● ● **Increasing water supplies**

We have two types of water supply schemes: Water treatment capacity increases (●) and watermain interconnectors (●) which allow us to supply more water by unlocking pinch points in the system. Both are on track.

● **Increasing our resilience**

Our watermain interconnectors help us move water around our region when its needed. These are often long pipelines crossing multiple land owners and obstacles.

These schemes have some risks which we are actively managing.

● **Replacing lead pipes**

Some customers live in older houses that may have lead pipes that connect them to our network – we are committed to removing all lead supplies by 2050 and we have replaced 2,012 pipes this year.

Tackling storm overflows and pollutions

● **Storm overflows**

At almost £700m, our storm overflow programme is the largest investment we have ever made. We have already completed 11 schemes early and we are working hard to get the right solution for other catchments across the region.

● **Increasing wastewater treatment flow capacity**

Increasing wastewater treatment capacity is an important part of our overall programme to reduce storm overflow spills and prevent pollutions from occurring.

We are delivering six schemes to help provide the additional capacity needed.

● ● **Facilitating regional growth**

We continue to install new mains and upsize older assets across our water and wastewater networks to allow for new developments to connect without impacting customers.

Alongside this investment we are also increasing the capacity of our sewage treatment works (●). This will allow for new developments to connect to our networks without causing detriment.

We are also connecting existing properties, mostly older rural properties, to our wastewater network through first time sewerage schemes (●).

South West Water Overview (2 of 2)

Driving environmental gains and delivering Net Zero

● ● Improving river water quality

- We continue to improve river water quality by improving the quality of our treated wastewater. We are on track with completing three types of schemes: phosphorous removal (●), removal of other nutrients known as sanitary parameters (●) and schemes that use nature-based solutions (●).

● ● Environmental Investigations

We have plans to complete 249 formal scientific assessments and monitoring projects which help to improve our understanding of future environmental improvements that can be delivered.

For wastewater (●), we have 266 investigations and we are pleased to report we have delivered 41 of these against the original 11 that were planned for 2025/26. We are reporting a blue RAG due to a reduced overall requirement for investigations in AMP8 which will reduce 266 to 213.

For water (●), we have 37 investigations. We are reporting a blue RAG due to a reduced overall requirement for investigations in AMP8 which will reduce 37 to 36.

● ● New environmental monitoring

It is important that we monitor how our assets are performing and the river water quality around them.

We are on track with installing **409** river water quality monitors (●) as well as at least **330** certified monitors at our pumping station emergency overflows (●).

● ● Managing our bioresources

Wastewater treatment produces a sewage sludge that is removed during treatment. We are on track to deliver a reduction of 19 tonnes of dry solids per year, to make the transport of this sludge as efficient as possible. We do this by investing in dewatering technologies (●).

We also have investment at two facilities to meet the latest industrial emission directive (IED) (●). This investment is being repurposed for more advanced treatment – which could take longer to construct.

Supporting affordability, delivering for customers

● Smart metering

Smart meters are an important tool to help customers monitor and reduce water use as well as spot leaks which is why we are replacing older meters with this new technology as well as increasing our meter coverage through new installations.

We have upgraded and replaced 222,036 smart meters this year and completed 8,786 new installations.

● Water efficiency

We are working to help our customers be as water efficient as possible – whether that is through new devices or education campaigns - it all helps.

● ● Security

Cyber (●) and physical security measures (●) are critical investments being made to maintain the security of our services.

Bristol Water Overview

Building water resources, improving water quality

● Replacing water mains

We have delivered 20km of mains this year and we are on track to replace 210km of water mains by 2029/30, which will reduce mains bursts, improve leakage and reduce the risk of supply interruptions.

● Improving water quality

We are on track with our £69m investment programme to improve drinking water quality at three water treatment works. This will reduce taste and discolouration issues through the use of more modern treatment processes.

● Replacing lead pipes

Some customers live in older houses that may have lead pipes that connect them to our network – we are committed to removing all lead supplies by 2050 and we have replaced 2,474 pipes this year.

Driving environmental gains and delivering Net Zero

● Environmental Investigations

We have plans to complete 14 formal scientific assessments and monitoring projects which help to improve our understanding of future environmental improvements that can be delivered. We are on track with all the investigations that are needed but we have some agreed changes with the Environment Agency that we are working through.

We are reporting a blue RAG due to a reduced overall requirement for investigations in AMP8 which will reduce 16 to 14, with one potential investigation to be deferred, by agreement, to the 2030-2035 reporting period.

Supporting affordability, delivering for customers

● Smart metering

Smart meters are an important tool to help customers monitor and reduce water use as well as spot leaks which is why we are replacing older meters with this new technology as well as increasing our meter coverage through new installations.

We have upgraded and replaced 45,780 smart meters this year and completed 7,626 new installations.

● ● Security

Cyber (●) and physical security measures (●) are critical investments being made to maintain the security of our services.

SES Water Overview

Building water resources, improving water quality

● **Replacing water mains**

We have delivered 5km of mains this year and we are on track to replace 53km of water mains by 2029/30. This investment will reduce mains bursts, improve leakage and reduce the risk of supply interruptions

● ● **Improving water quality**

We are on track with our £8m investment programme to improve drinking water quality at two water treatment works. This will reduce taste and discolouration issues through the use of more modern treatment processes.

We are also on track with a specific treatment upgrade at Kenley WTW to reduce the water hardness – this is what produces the white chalky deposits on kettles and taps.

● **Replacing lead pipes**

Some customers live in older houses that may have lead pipes that connect them to our network – we are committed to removing all lead supplies by 2050 and we have replaced 73 pipes this year.

● ● **Resilience for climate change**

Our investment focuses on improving the resilience of critical water assets to climate change impacts primarily through power resilience investments.

Driving environmental gains and delivering Net Zero

● **Environmental Investigations**

We have plans to complete 10 formal scientific assessments and monitoring projects which help to improve our understanding of future environmental improvements that can be delivered.

Supporting affordability, delivering for customers

● **Smart metering**

Smart meters are an important tool to help customers monitor and reduce water use as well as spot leaks which is why we are replacing older meters with this new technology as well as increasing our meter coverage through new installations.

We have upgraded and replaced 57,991 smart meters this year and completed 726 new installations.

● ● **Security**

Cyber (●) and physical security measures (●) are critical investments being made to maintain the security of our services.

Introduction and Requirements

Every five years, water companies in England and Wales receive funding allowances through a process called a price review. The latest price review, PR24, saw the largest investment programme in the water sector across England and Wales over the last 30 years, with a £104 billion budget for water companies to improve services to customers and protect the environment. This is nearly twice the size of the investment programme compared to the previous price review (PR19).

Ofwat's latest price review introduced the delivery plan framework to strengthen transparency and monitoring of the substantial increase in enhancement expenditure over the 2025 to 2030 reporting period (as well as some areas of base expenditure). It did so by introducing Price Control Deliverables (PCDs) for these areas of expenditure. The PCDs monitor the outputs and related expenditure, so that stakeholders and customers know what to expect from the funding provided.

All water companies in England and Wales are now required to submit standardised data tables covering PCD outputs, expenditure, interim milestones, RAG status and scheme-level information, together with commentary explaining material variance from baseline and the actions being taken to address delivery risks. Companies must publish annual progress reports, to provide updates in all these areas of delivery for the PCDs they have received funding allowances for.

This document, our annual progress report, should be read alongside our 2025-30 Delivery Plan (published in August 2025), which sets the baseline for our AMP8 investment programme, as well as our 2025/26 Annual Performance Report and the associated delivery plan data tables.

This report provides the Pennon Group's latest view of delivery as of **31 March 2026**, drawing on the same snapshot of data used for our 2025/26 regulatory submissions, in accordance with Ofwat guidance.

The report covers (both outturn and forecast information):

- **Outputs** - we update on progress to date and provide forecasts for all outputs across our PCDs. For example, these could be volume of storage for storm overflow schemes or mega litres of water available for use for water supply schemes;
- **Expenditure** - we report on expenditure incurred associated with the PCD in 2025/26 and we forecast expenditure to deliver the outputs in future years (all expenditure is reported in 2022/23 prices);
- **RAG status** - a risk assessment for performance against the output requirements for each PCD by 2029/30;
- **Interim Milestones** - progress against interim milestones is provided where relevant including those achieved in 2025/26 and forecasts for future years. This is reported at PCD group level;
- **High profile schemes** - our PCD reporting is largely focused on investments at a programme (aggregated) level, rather than individual schemes. However, for high profile projects we provide the information above (outputs, expenditure and milestones) at individual project level for additional transparency;
- Commentary on **material delivery, expenditure and milestone variances**; and
- Information on our **primary delivery risks** and the mitigations we are taking to mitigate such risks, particularly regarding supply chain capacity and specialist resources, planning, land, third-party and regulatory interfaces, and solution certainty and changes in scope.

Progress Summary Overview

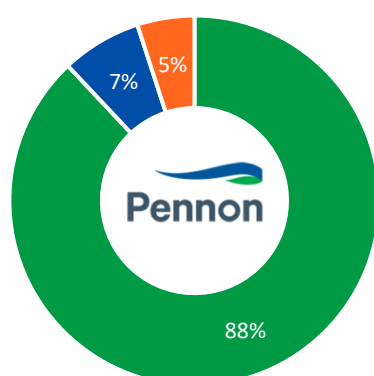
This report provides the 2025-26 full-year progress update against the August 2025 Delivery Plan baseline for South West Water, Bristol Water and SES Water. It summarises delivery progress across the relevant Price Control Deliverables (PCDs), including output delivery, expenditure, interim milestone progress, RAG status and scheme-level updates where applicable.

The Delivery Plan framework provides a clear view of progress across the enhancement programme and relevant base PCDs over the 2025 to 2030 reporting period. The 2025-26 report focuses on the year-one position against the baseline profile, including material progress, key movements from the baseline, delivery risks and the evidence supporting the reported position.

At the August 2025 baseline, the overall Delivery Plan risk assessment was green, with most PCD schemes reported as on track and more than 1,000 water schemes underway. The 2025-26 full-year position is therefore presented as an update against that baseline, highlighting where delivery remains aligned with the baseline profile and where updated programme information provides further context for year-one progress.

RAG Assessments

For 2025/26, South West Water's overall annual delivery position is assessed as green, with **84%** of PCDs assessed as on track. Across the full portfolio, **88%** of PCDs are assessed as green, **5%** as amber, **0%** as red with **7%** as blue pending baseline change decisions. This RAG profile includes the network reinforcement PCD (even though the PCD has no output deliverables).



	On Track	Changes	Moderate Risks	High Risks
South West Water	21 (84%)	2 (8%)	2 (8%)	- (0%)
Bristol Water	6 (86%)	1 (14%)	- (0%)	- (0%)
SES Water	10 (100%)	- (0%)	- (0%)	- (0%)
Pennon Group	37 (88%)	3 (7%)	2 (5%)	- (0%)

Delivery of outputs

Output delivery during 2025/26 was broadly aligned with expectations, with only eight PCDs falling below 85% of the baseline profile established in the August 2025 Delivery Plan.

During the year, the Group delivered 4,183m³ storm overflow equivalent storage, 20 certified monitors at our pumping station emergency overflows, delivered 52km of mains, replaced 4,559 lead pipes, and upgraded and replaced 325,807 smart meters this year.

We are pleased to have accelerated our programmes and delivered early, or scheduled to deliver early, for eight PCDs.

Expenditure

Total PCD and non-PCD enhancement expenditure in 2025/26 was £214m of which £166m is associated with PCD expenditure. This is behind our baseline profile of £446m, largely due to the increased modelling, design and planning work associated with some of our more significant programme investment programmes - namely, storm overflows, drinking water quality schemes and supply inter-connectors.

In setting our business plan baseline at PR24 we set ourselves a very challenging investment profile that was broadly flat. We mobilised to achieve this, starting with the design and planning phases of work early. However, these phases of work are typically much lower value than when the construction activity is taking place and it has been necessary to spend additional time completing these phases such that we optimise the delivery of our investments.

A unit cost analysis of actual (2025-26) and forecast unit costs is produced in the progress summary tables section of this report to support Ofwat's analysis. This shows that Pennon is on track for efficient spend by 2029-30 for a number of key areas.

Delivery variances

Where we are ahead:

- Wastewater WINEP investigations remain ahead of the Delivery Plan baseline profile for 2025-26, with 41 investigations completed, significantly ahead of the 11 required to be delivered for this year.
- Progress has also been made on treatment for tightening sanitary parameters, where we have successfully accelerated and completed one scheme ahead of schedule (at Chillington WwTW).
- Progress has also been made on nature-based solutions, where we have successfully accelerated and completed one scheme ahead of schedule (Highampton WwTW).
- On supply interconnectors (SWB) we are on track with plans to accelerate the completion of a scheme which will bring forward the benefits into 2029/30.
- On resilience interconnectors (SWB), the Alderney to Knapp Mill pinch points scheme completion is now expected earlier in February 2029.
- For Raw Water Deterioration and Taste, Odour and Colour (SWB) we are on track to deliver six schemes earlier than originally planned – these will be completed in 2026/27.
- For Raw Water Deterioration and Taste, Odour and Colour (BRL) we are on track to deliver one scheme earlier than originally planned, this will be completed in 2030/31.
- For Phosphorous Removal we are on track to deliver all schemes by early 2028/29.

Where we are catching up:

- For output delivery, we have fallen behind our baseline delivery profile for 2025/26 for mains renewals (all three regions), continuous river water quality monitoring (SWB), lead (SWB) and water efficiency (SWB) – all areas have recovery plans in place.
- For expenditure, a number of programmes have lower expenditure compared to our baseline. This is due to the increased design and planning phase on most of the programmes, however, we have plans in place to recover this expenditure quickly.

Delivery Risks and Mitigations

Delivering at this speed and scale is never risk free. There will always be challenges associated with delivering across our regions and these challenges are often increased by a changing climate and/or economic and political conditions.

The main delivery risks are being managed through established programme governance, assurance and engagement with delivery partners and relevant regulators.

Delivery Risk	Description	Mitigation update
Supply chain capacity and specialist resource	Specialist design, survey, construction and equipment availability remain relevant considerations.	During 2025/26, South West Water continued to manage supply chain risk through framework procurement, standardisation of designs (where possible), improved forecasting to provide increased visibility to our supply change and active supplier performance monitoring.
Planning, land, third-party and regulatory interfaces	Planning, land access, power and telecoms connections, third-party interfaces and regulatory sign-off can influence delivery timing.	Many AMP8 projects require planning permissions, environmental permits, land agreements and stakeholder approvals. Schemes can face lengthy approval processes and community objections. This is why we are managing AMP8 as a single integrated portfolio with centralised reporting and standard governance processes. The exception to this is Storm Overflows where we have established a dedicated programme board acting as the executive governance forum responsible for directing, prioritising and approving investment in storm overflows. It provides oversight of programme delivery, affordability, risks, and is empowered to take funding decisions to ensure environmental commitments and regulatory obligations are achieved on time.
Solution certainty and changes in scope	Some programmes continue to develop through options appraisal, site investigation and regulatory engagement. It is important that time is taken to identify the optimal solution(s) so that the best value interventions are identified and delivered.	During 2025/26, we focused on making sure we developed the right solution for our customers, the environment and for our own operational teams who need to manage these assets upon delivery. We managed this through early optioneering, operational challenge workshops and solution acceptance reviews as well detailed cross checks to ensure all regulatory requirements are being met. Some programmes continue to develop and as changes or different needs arise, we keep our regulators informed at the earliest opportunity. Our Storm Overflows programme board also supports early solution certainty and manages changes in scope.

Progress Summary Tables

Summary tables are produced to provide a one page view of the full delivery plan table submission. We show output delivery and expenditure against the 2025/26 baseline as well as a forecast for both by 2029/30.

South West Water Delivery Progress Summary (wastewater)

Price Control Deliverable (PCD)	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB3b - Network reinforcement						4.667	0.407	100%
PCDWW2b - Continuous river water quality monitoring	Nr.	82	0	100%	G	10.822	2.923	65%
PCDWW3 - MCERTs monitoring (EDM + civils, EDM + PFF + civils)	Nr.	0	15	162%	G	1.867	0.345	100%
PCDWW6 - Storm Overflow - Screens	Nr.	3	3	103%	G	2.057	0.885	148%
PCDWW11 - Nature based solutions for treatment	Nr.	0	1	100%	G	1.568	0.650	57%
PCDWW18 - WINEP Investigations	Nr.	11	41	80%	B	3.539	1.851	80%
PCDWW25a - Sludge dewatering	ttds/yr	0	0	100%	G	2.254	0.000	100%
PCDWW30 - Bioresources – IED	Nr.	0	0	100%	A	7.712	0.000	100%
PCDWW29 - First time sewerage	Nr.	0	0	100%	G	7.301	0.127	100%
PCDWW5 - Storm overflows	m3	0	4,183	100%	G	178.032	63.020	85%
PCDWW4 - Flow to Full Treatment	l/s	0	0	100%	G	19.179	7.790	89%
PCDWW10 - P-Removal	000S	0	0	100%	G	45.407	15.699	65%
PCDWW27 - Growth to Sewerage Treatment Works	Nr.	0	0	100%	G	4.227	0.003	100%
PCDWW12 - Treatment for tightening of sanitary parameters	000s	0	1.657	100%	G	0.003	0.476	73%

South West Water Interim Milestone Summary (wastewater)

Price Control Deliverable (PCD)	IM0	IM1	IM2	IM3	IM4	IM5	IM6	Total schemes
PCDWW11 - Nature based solutions for treatment	19	0	0	0	0	0	1	20
PCDWW30 - Bioresources - IED	0	2	0	0	0	0	0	2
PCDWW5 - Storm overflows	1	230	8	0	6	1	11	257
PCDWW4 - Flow to Full Treatment	0	6	0	0	0	0	0	6
PCDWW10 - P-Removal	8	5	6	4	4	0	0	27
PCDWW27 - Growth to Sewerage Treatment Works	0	3	0	0	0	0	0	3
PCDWW12 - Treatment for tightening of sanitary parameters	17	8	4	0	8	0	1	38
Total	45	254	18	4	18	1	13	353
Cumulative Total	353	308	54	36	32	14	13	-

This shows that nearly 10% of our 353 schemes are in construction phase and mobilised to site (IM4). Compared to water programmes this is relatively low and reflects the increased design and planning phases for storm overflows where the majority of the programme (90%) is at the planning phase (IM1).

South West Water Cost Management Assessment (wastewater)

Our cost management tables summarise two ratios. The first ratio (1) shows the actual unit cost for outputs delivered in 2025-26 compared to the unit cost Allowance our final determination. Numbers less than 1.0 show an efficiency. The second ratio (2) show the forecast unit cost for all outputs being delivered by 2029-30 compared to the unit cost Allowance our final determination. Again, numbers less than 1.0 show an efficiency.

Price Control Deliverable (PCD)	Unit cost (£m / driver)				Ratio 1 ¹	Ratio 2 ²
	2025 - 26		2029 - 30			
	Allowance	Actual	Allowance	Forecast		
PCDWW2b - Continuous river water quality monitoring	0.132	-	0.130	0.085	-	0.648
PCDWW3- MCERTs monitoring - EDM + civils	-	0.021	0.029	0.008	-	0.258
PCDWW3- MCERTs monitoring – EDM + PFF + civils	-	0.028	0.049	0.036	-	0.733
PCDWW6- Storm Overflow - Screens	0.686	0.295	0.223	0.319	0.430	1.432
PCDWW11 - Nature based solutions for treatment	-	0.650	1.831	1.052	-	0.575
PCDWW18 - WINEP Investigations	0.314	0.045	0.059	0.059	0.144	0.999
PCDWW25a - Sludge dewatering	-	-	1.414	1.414	-	1.000
PCDWW30 - Bioresources – IED	-	-	19.030	19.030	-	1.000
PCDWW29 - First time sewerage	-	-	0.147	0.147	-	1.000
PCDWW5 - Storm overflows	-	0.015	0.002	0.002	-	0.853
PCDWW4 - Flow to Full Treatment	-	-	0.101	0.090	-	0.890
PCDWW10 - P-Removal	-	-	0.976	0.636	-	0.652
PCDWW27 - Growth to Sewerage Treatment Works	-	-	0.001	0.001	-	1.000
PCDWW12 - Treatment for tightening of sanitary parameters	-	0.287	0.211	0.155	-	0.731

¹ Actual unit cost / allowed unit cost (2025-26)

² Forecast unit cost / Allowed unit cost (2029-30)

South West Water Delivery Progress Summary (water)

Price Control Deliverable (PCD)	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB1a - Mains renewals – base	km	42.615	26.800	100%	G	12.513	8.583	100%
PCDB3a - Network reinforcement						2.662	1.191	138%
PCDW8 - WINEP Investigations	Nr.	0	0	97%	B	7.467	2.124	71%
PCDW14/13 - Raw Water Deterioration and Taste, Odour and Colour	Nr.	0	0	133%	G	24.437	2.003	100%
PCDW15 - Lead	Nr.	5,776	2,012	100%	G	8.642	4.665	76%
PCDW12 - Metering	Nr.	255,894	230,822	100%	G	29.544	22.955	83%
PCD11a - Supply	MI/d				G	1.024	0	100%
PCD11b - Supply Interconnectors	MI/d				G	1.077	0.089	95%
PCDW9 - Water efficiency	MI/d	2.468	0.581	100%	G	2.813	0.289	100%
PCDW16b - Resilience Interconnectors	km	0	0	100%	A	8.376	0.366	96%
PCDW17b - Cyber	Nr.				G	1.846	0.839	100%
PCDW17a - SEMD	Nr.				G	1.536	0	119%
PCDPR19-9 - Alderney WTW	Nr.	0	0		G			

South West Water Milestone Progress Summary (water)

Price Control Deliverable (PCD)	IM0	IM1	IM2	IM3	IM4	IM5	IM6	Total schemes
PCDW14/13 - Raw Water Deterioration and Taste, Odour and Colour	0	3	6	1	7	0	0	17
PCD11a - Supply schemes	0	2	0	0	0	0	0	2
PCD11b - Supply interconnectors	0	1	0	0	0	0	0	1
PCDW16b - Resilience Interconnectors	0	5	0	0	0	0	0	5
PCDW17b - Cyber	0	0	0	0	1	0	0	1
PCDW17a - SEMD	0	0	0	0	1	0	0	1
TOTAL	0	11	6	1	9	0	0	27
Cumulative Total	27	27	16	10	9	0	0	-

This shows that nearly 33% of our 27 schemes are in construction phase and mobilised to site (IM4).

South West Water Cost Management Assessment³

Price Control Deliverable (PCD)	Unit cost (£m / driver)				Ratio 1 ⁴	Ratio 2 ⁵
	2025 - 26		2029 - 30			
	Allowance	Actual	Allowance	Forecast		
Mains renewals - base	0.294	0.320	0.294	0.294	1.091	1.000
Water WINEP/NEP Investigations	-	-	0.402	0.295	-	0.734
Raw Water Deterioration and Taste, Odour and Colour	-	-	7.558	5.669	-	0.750
Lead communication pipes replaced/relined	0.002	0.002	0.002	0.001	1.365	0.748
Lead external supply pipes replaced/relined - Non-schools	0.002	0.002	0.002	0.001	1.289	0.765
Lead internal supply pipes replaced/relined - Non-schools	0.001	0.002	0.001	0.001	3.431	0.762
Metering – New installations	0.000	0.000	0.000	0.000	1.016	0.838
Metering - Household meter upgrades	0.000	0.000	0.000	0.000	1.208	0.824
Metering - Non household meter upgrades	0.000	0.000	0.000	0.000	1.563	0.824
Metering - Meter Replacements	0.000	0.000	0.000	0.000	0.820	0.824
Metering - Connected meters	-	-	0.000	0.000	-	0.826
Supply interconnectors - WAFU Benefit	-	-	-	2.847	-	-
Supply interconnectors - Pipeline length	-	-	-	0.000	-	-
Water efficiency	1.140	0.497	1.140	1.140	0.436	1.000
Resilience Interconnector - Length	-	-	1.413	1.362	-	0.964

³ The unit cost summary shows analysis for the 2025-2030 reporting period only. PCDs that are scheduled to deliver in the 2030-2035 reporting period are excluded from this analysis. For SWB the following PCDs are excluded: Supply, Cyber, SEMD

⁴ Actual unit cost / allowed unit cost (2025-26)

⁵ Forecast unit cost / Allowed unit cost (2029-30)

Bristol Water Delivery Progress Summary

Price Control Deliverable (PCD)	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB1a - Mains renewals - base	Km	16.021	15.059	100%	G	4.704	3.998	97%
PCDB1b - Mains renewals - asset health adjustment	Km	6.695	2.545	100%	G	1.966	1.522	97%
PCDB1c - Mains renewals - enhancement leakage	Km	3.555	1.517	100%	G	1.044	0.643	88%
PCDB1d - Mains renewals - enhancement water quality	Km	5.175	0.771	100%	G	2.026	1.344	100%
PCDW8 - WINEP Investigations	Nr.	0	0	88%	B	0.925	0.142	88%
PCDW14/13 - Raw Water Deterioration and Taste, Odour and Colour	Nr.				G	7.697	1.170	73%
PCDW15 - Lead	Nr.	2,580	2,474	96%	G	3.895	2.500	79%
PCDW12 - Metering	Nr.	55,336	53,406	97%	G	7.949	6.327	87%
PCDW17b - Cyber	Nr.				G	0.730	0.111	100%
PCDW17a - SEMD	Nr.				G	0.724	0.000	74%

Bristol Water Milestone Progress Summary

Price Control Deliverable (PCD)	IM0	IM1	IM2	IM3	IM4	IM5	IM6	Total schemes
PCDW13/14 - Raw Water Deterioration and Taste, Odour and Colour	3	2	1	0	1	0	0	7
PCDW17b - Cyber	0	0	0	0	1	0	0	1
PCDW17a - SEMD	0	0	0	0	1	0	0	1
Total	3	2	1	0	3	0	0	9
Cumulative Total	9	6	4	3	3	0	0	-

This shows that nearly 33% of our 9 schemes are in construction phase and mobilised to site (IM4).

Bristol Water Cost Management Assessment⁶

Price Control Deliverable (PCD)	Unit cost (£m / driver)				Ratio 1 ⁷	Ratio 2 ⁸
	2025-26		2029-30			
	Allowance	Actual	Allowance	Forecast		
PCDB1a - Mains renewals - base	0.294	0.266	0.294	0.284	0.904	0.966
PCDB1b - Mains renewals - asset health adjustment	0.294	0.598	0.294	0.284	2.036	0.966
PCDB1c - Mains renewals - enhancement leakage	0.294	0.424	0.294	0.260	1.443	0.885
PCDB1d - Mains renewals - enhancement water quality	0.000	1.743	0.294	0.294	-	1.000
PCDW8 - Water WINEP/NEP Investigations	-	-	0.118	0.119	-	1.004
PCDW15 - Lead communication pipes replaced/relined	0.002	0.002	0.002	0.001	1.111	0.799
PCDW15 - Lead external supply pipes replaced/relined - Non-schools	0.002	0.001	0.002	0.001	0.636	0.782
Lead internal supply pipes replaced/relined - Non-schools	0.001	0.000	0.001	0.001	0.524	0.779
Metering – New installations	0.000	0.000	0.000	0.000	0.746	0.865
Metering - Household meter upgrades	0.000	0.000	0.000	0.000	0.829	0.867
Metering - Non household meter upgrades	-	0.000	0.000	0.000	-	1.000
Metering - Meter Replacements	0.000	0.000	0.000	0.000	0.856	0.867
Metering - Connected meters	-	-	0.000	0.000	-	0.867

⁶ The unit cost summary shows analysis for the 2025-2030 reporting period only. PCDs that are scheduled to deliver in the 2030-2035 reporting period are excluded from this analysis. For SWB the following PCDs are excluded: RWD/TOC, Cyber, and SEMD

⁷ Actual unit cost / allowed unit cost (2025-26)

⁸ Forecast unit cost / Allowed unit cost (2029-30)

SES Water Delivery Progress Summary

Price Control Deliverable (PCD)	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB1a - Mains renewals - base	km	7.986	4.900	100%	G	2.345	2.206	81%
PCDB4a/b - Water Softening	mg/l	80.00	78.66	100%	G	4.740	1.948	96%
						0.270	0.270	100%
PCDW8 - WINEP Investigations	Nr.	0	0	100%	G	0.706	0.159	100%
PCDW14/ PCDW13 - Raw Water Deterioration and Taste, Odour and Colour	Nr.	0	0	100%	G	0.000	0.081	100%
PCDWW15 - Lead	Nr.	93	73	100%	G	0.942	0.265	101%
PCDWW32 - W Resilience CC Uplift	Nr.	0	0	100%	G	0.139	0.100	100%
PCDWW12 - Metering	Nr.	82,082	58,717	100%	G	8.711	6.163	85%
PCDW16b - Resilience Interconnectors	Nr.	0	0	100%	G	0.059	0.000	125%
PCDW17b - Cyber	Nr.	0	0	100%	G	0.068	0.011	100%
PCDW17a - SEMD	Nr.	0	0	10%	G	0.339	0.000	132%

SES Water Milestone Progress Summary

Price Control Deliverable (PCD)	IM0	IM1	IM2	IM3	IM4	IM5	IM6	Total schemes
PCDW13/14 - Raw Water Deterioration and Taste, Odour and Colour	0	2	0	0	2	0	0	4
PCDWW32 - W Resilience CC Uplift	1	0	0	0	0	0	0	1
PCDW16b - Resilience Interconnectors	0	3	0	0	0	0	0	3
PCDW17b - Cyber	0	0	0	0	1	0	0	1
PCDW17a - SEMD	0	0	0	0	4	0	0	4
Total	1	5	0	0	7	0	0	13
Cumulative Total	13	12	7	7	7	0	0	-

This shows that nearly 54% of our 13 schemes are in construction phase and mobilised to site (IM4).

SES Water Cost Management Assessment⁹

Price Control Deliverable (PCD)	Unit cost (£m / driver)				Ratio 1 ¹⁰	Ratio 2 ¹¹
	2025-26		2029-30			
	Allowance	Actual	Allowance	Forecast		
PCDB1a - Mains renewals - base	0.294	0.450	0.294	0.237	1.533	0.806
PCDB4a - Water softening - softening equipment at Kenley Water Treatment Works	0.059	0.025	0.118	0.113	0.418	0.960
PCDW8 - Water WINEP/NEP Investigations	-	-	0.167	0.167	-	0.998
PCDW14, PCDW13 - Raw Water Deterioration and Taste, Odour and Colour	-	-	4.167	4.167	-	1.000
PCDW15 - Lead external supply pipes replaced/relined - Non-schools	0.002	0.004	0.002	0.002	2.020	1.179
PCDW15 - Lead external supply pipes replaced/relined - Schools	0.013	-	0.013	0.013	-	1.000
PCDWW32 - W Resilience CC Uplift	-	-	0.013	0.013	-	1.000
PCDW12 - Metering – New installations	0.000	0.000	0.000	0.000	0.268	0.841
PCDW12 - Metering - Household meter upgrades	0.000	0.000	0.000	0.000	3.047	1.000
PCDW12 - Metering - Non household meter upgrades	0.000	0.000	0.000	0.000	3.143	1.000
PCDW12 - Metering - Meter Replacements	0.000	0.000	0.000	0.000	0.873	1.000
PCDW12 - Metering - Connected meters	-	-	0.000	0.000	-	-
PCDW16b - Resilience Interconnector - Reservoir bypass	-	-	0.103	0.130	-	1.254
PCDW17b - Cyber	-	-	0.334	0.334	-	1.000

⁹ The unit cost summary shows analysis for the 2025-2030 reporting period only. PCDs that are scheduled to deliver in the 2030-2035 reporting period are excluded from this analysis. For SWB the following PCDs are excluded: SEMD

¹⁰ Actual unit cost / allowed unit cost (2025-26)

¹¹ Forecast unit cost / Allowed unit cost (2029-30)

High-Profile Scheme Updates

High Profile Schemes are a subset of enhancement investments that are of particular interest to customers, regulators, government and stakeholders because of their scale, visibility, risk or strategic importance. For this reason we provide additional scheme specific commentary against our high profile schemes below.

Improving water quality

● IM2	Bratton Flemming WTW improvements These strategic WTW improvements support our wider North Devon supply resilience strategy. Discussions over the requirements of the electrical works are ongoing with the National Grid. We are currently at interim milestone 2, with expenditure to date at £0.4m, against a total allowance of £14.5m.	
● IM4	Dotton WTW improvements This is our largest investment to manage the risk of raw water deterioration and to improve taste, odour and colour of our water. The outline design has now largely been completed. The Preliminary Ecological Survey Site survey has also been completed. We are currently at interim milestone 4, with expenditure to date at £0.3m, against a total allowance of £16.2m.	
● IM1	Stowey WTW improvements A strategic WTW rebuild to improve resilience and water quality of this critical site. The Preliminary Ecological Survey Site survey has also been completed this year.	
● IM0	Littleton WTW improvements A strategic WTW rebuild to improve resilience and water quality of this critical site. The scheme is still in an early stage of design which is intentional as we progress other WTW upgrades in our region – essentially, we cannot complete all of them simultaneously due to supply resilience risks, but we have sufficient time to delivery this scheme by 30/04/2034 as planned.	
● IM2	Kenley WTW improvements We will add UV treatment addressing any potential water quality deterioration by, maintaining, monitoring and completing proactive external site inspections. We will also ensure there are appropriate contingency plans for drinking water quality and availability.	
● IM2	Cheam WTW improvements We will add UV treatment addressing any potential water quality deterioration by, maintaining, monitoring and completing proactive external site inspections. We will also ensure there are appropriate contingency plans for drinking water quality and availability.	

Increasing our resilience

● IM1	Mayflower to Littlehempston interconnector This interconnector is our largest pipeline, connecting two strategic WTWs, with the scheme specifically delivering 37.2 km of new 800mm potable water main and pumped system to enable transfer of up to 40 MI/d. The optioneering and hydraulic modelling work is now complete as begin to take the scheme to outline design. We are currently at interim milestone one, with expenditure to date at £0.03m, against a total allowance of £31.1m.	
● IM1	Cranbrook to Honiton interconnector This interconnector supports growth in the regions of Tiverton and Cullompton, with the scheme specifically delivering 16.7 km of new 450mm potable water main to enable transfer of up to 5 MI/d from West to East Wimbleball. This main will be further upsized to provide for the significant growth planned around Tiverton and Cullompton. The outline design is progressing as planned, with route walkovers now completed and site surveys currently being priced. We are currently at interim milestone one, with expenditure to date at £0.3m, against a total allowance of £13.2m.	
● IM1	Water Resilience Climate Change Uplift Our aim is to implement mitigations against the risk of power outages. We have identified 55 borehole and pumping station sites requiring proficient alternative operations in the event of a power outage.	

Increasing water supplies and improving resilience¹²

● IM1	Brent Tor to Launceston interconnector To deliver 15.5 km of new 400mm potable water main to enable transfer of up to 10 MI/d. Optioneering is taking place in year 1. Further scheme development is expected in year 2. This is currently sitting at IM1 with a forecasted 29/30 spend of £16.1m.	
● IM1	Alderney - Knapp Mill pinch points To enable more effective transfers between zones. Full scheme is 0.4 km of 600mm potable water main to provide cross connections to the 700mm resilience main and address several pinch points in the network. We have scored this as an amber risk due to the shortening in length of the interconnector that is required as opposed to delayed or late delivery. It could be argued a blue indicator is more appropriate, but we need to have this agreed with Ofwat.	
● IM1	Roadford to Colliford interconnector A new pumping station at Winstone Beacon service reservoir to enable transfer of an additional 2 MI/d through the existing network to support Colliford. Optioneering, planning, and investigations have been carried out in year 1. The scheme has a total delivery budget of £2.492m.	

¹² These schemes are not high-profile as per the reporting guidance but are included as updates for full transparency for customers and stakeholders

Storm overflows and improving river water quality

 IM2	Kilmington catchment These schemes are a collection of one of our largest most complex storm overflow investments. Kilmington STW SSO has been delayed due to a change in solution at interim milestone 2. We are now actively considering best value alternative solutions, such as a hybrid option covering flow to full treatment and reduced storage.	
 IM1-4	Delabole catchment These schemes are a collection of one of our largest most complex storm overflow investments with all schemes are currently forecast to deliver early.	
 IM1-2	Exmouth catchment Exmouth WWTW upgrades at Maer Lane and the storm overflow improvements in the area have been selected due to scale of the investment and multi-stakeholder/public interest. The accelerated delivery of these schemes reflects our commitment to customers and our determination to minimise environmental impacts while delivering long-term benefits to the area. We have four overflows being addressed in the catchment.	
 IM1-2	Ilsham Valley catchment This scheme has been selected due to the challenging engineering work and the potential for perceived impact on Meadfoot bathing waters. This is currently on track to deliver earlier than the baseline profile.	
 IM1	Cullompton WWTW The Cullompton WWTW capacity improvements will support growth in the surrounding area, including the new garden village forecasting to deliver three months ahead of schedule.	

Facilitating regional growth¹³

 IM1	Cullompton WWTW The Cullompton WWTW capacity improvements will support growth in the surrounding area, including the new garden village forecasting to deliver three months ahead of schedule.	
--	--	---

¹³ These schemes are not high-profile as per the reporting guidance but are included as updates for full transparency for customers and stakeholders
 Delivery Plan Progress Report 2025–26 • Pennon

Detailed Commentary

The sections below summarise delivery progress and reporting context by company and PCD area. The detailed values are supported through the associated Delivery Plan data tables.

South West Water (wastewater)

Continuous river water quality monitoring (CWQM)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW2b - Continuous river water quality monitoring (CWQM)	Nr.	82	0	100%		10.822	2.923	65%

The PCD monitors the deployment of water quality monitors as part of our legislated undertakings under the Environment Act (2021). The monitors will provide data on the condition of waterbodies upstream and downstream of assets and outfalls, in near real time.

The installation of the monitors is proving problematic, particularly in terms of obtaining land access permissions from third parties and private landowners. This access is necessary due to the fact that monitors are required to be installed upstream and downstream of discharge points, often outside of company owned land.

Despite the slower start to this programme of installations, we are confident that we will achieve our ambitions of installing 409 monitors by 2029/30.

MCERTs monitoring of emergency overflows at sewage pumping stations

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW3 - MCERTs - EDM only	Nr.	-	-	-	-	-	-	-
PCDWW3 - MCERTs - EDM + civils	Nr.	-	11	1050%		0.047	0.232	271%
PCDWW3 - MCERTs - EDM + PFF	Nr.	-	-	-	-	-	-	-
PCDWW3 - MCERTs - EDM + PFF + civils	Nr.	-	4	130%		1.819	0.113	96%
PCDWW3 - MCERTs overflows - Permits only	Nr.	-	5	-	-	-	-	-

The PCD monitors the installation of MCERTs monitoring of emergency overflows at sewage pumping stations.

The company has delivered 20 MCERTs monitoring schemes this year. This differs from previous forecasts for this year (a forecast of 11 EDM + civil schemes and four EDM + PFF + civils schemes, as well as an additional five permit only schemes). We are confident that we will achieve and exceed our requirement by 2029/30.

The main delivery risks are related to the supply chain for MCERTs certified inspectors and their capacity to assess and provide certification, under the MCERTs process, for these installations, nationally. We are mitigating the risk through planning and involving MCERTs inspectors early in the installation process.

Nature based solutions for treatment of nutrients and sanitary determinands

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW11 - Nature based solutions for treatment of nutrients and sanitary determinands	Nr.	-	1	100%		1.568	0.650	57%

This PCD covers investments associated with our nutrient and sanitary schemes which are intended to be delivered by nature-based solutions. The suite of schemes is associated with the imposition of new permit conditions or the tightening of existing permit conditions for either nutrient (Nitrogen or Phosphorous) as well as Sanitary (Biological Oxygen Demand, Suspended Solids and/or Ammonia) determinands. For South West Water, these comprise seven nutrient schemes and thirteen sanitary schemes.

The Highampton WWTW scheme has been delivered early. We are confident that we will achieve our ambitions of completing 20 nature based solution schemes by 2029/30.

On expenditure, we are confident in delivering efficiencies in this area.

On programme planning:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	0	1
2026/27	0	0	1
2027/28	6	0	1

WINEP investigations (wastewater)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW18 - WINEP investigations (wastewater)	Nr.	11	41	80%		3.539	1.851	80%

The RAG is blue due to the original number of schemes included not being an accurate reflection of the schemes meeting the definition.

We have completed 41 investigations, ahead of the 11 planned to be completed by the end of 2025/26.

The 266 investigations included in the PR24 final determination includes investigations that should be excluded based on the PCD definition (wastewater investigations exclude chemicals and N-Tal investigations). The blue

RAG therefore reflects a revised baseline proposal of 213 investigations under the following WINEP drivers: BW_INV1, BW_INV2, BW_NDINV, SW_INV, EnvAct_INV4, HD_INV, SSS_INV, WFD_INV, WFD_INV_MP.

The baseline allowance assumed is based on the delivery of 266 investigations, however our forecast profile is based on the delivery of 211 investigations by 2027/28 and 213 investigations by 2029/30.

In our draft full-year forecasts, we had forecast the delivery of 213 investigations by 2027/28. Two investigations have been recently identified as TRaC sites still remaining in the EnvAct_INV4 programme, and due to no suitable methodology currently available, the compliance dates for these have been re-profiled. Likewise, based on the uncertainty as a result of national methodology conversations, no further EnvAct_INV4s investigations are expected to be completed by the end of 2026/27. We do instead plan to complete 54 additional sites by the end of 2026/27 (resulting in 95 cumulatively complete across 2020/21 to 2026/27).

Sludge Treatment (Thickening/Dewatering)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW25a - Sludge thickening and dewatering	ttds/yr	-	-	100%		2.254	-	100%

This PCD is for the installation of dewatering systems that will support the resilience of the sludge management chain and beneficial use of the new assets must be maximised. South West Water must use this equipment to meet its WINEP commitment of 25% minimum dry solids by March 2030 for all biosolids recycled to agriculture, as agreed with the Environment Agency. The dewatering improvements will provide resilience in recycling to agriculture and prevent deterioration in soil or water quality.

Our expenditure profile is lower than the baseline as the site locations for enhanced dewatering are linked to our Advanced Anaerobic Digestion (AAD) strategy and our site rationalisation plans. The site rationalisation programme will be agreed in 2026/27, and we do not plan to deliver any dry solids until the end of that year. Over the last 12 months, we have investigated the market for enhanced dewatering equipment and procurement routes, and alignment with our technical standards. We have identified a Rotary Press technology supplied by Fournier Industries, which will address the requirement, and we are about to begin trials with this equipment and equipment supplied by our current framework suppliers. Following the trials, we will invest in the most appropriate technology for our sites and operational standards, aligning delivery with site rationalisation and our transition to Advanced Anaerobic Digestion.

Industrial Emissions Directive (IED)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW30 - Bioresources - IED and Reg changes	Nr.	-	-	100%		7.712	0.279	100%

The requirement for PCDWW30 is to ensure compliance with the Industrial Emissions Directive (IED) by 2030 on two sites, Hayle and Countess Wear. Since the submission of the PR24 business plan we have reduced

throughput at Hayle and Countess Wear, our two largest Sludge Treatment Centres (STCs), negating the requirement to comply with IED. We intend to utilise the funding to invest in site rationalisation, reducing the number of small STCs in our asset base, by investing in a large Advanced Anaerobic Digestion (AAD) site. This will begin our transition to more efficient AAD treatment, utilising the biogas in bioresources, generating an enhanced product, realising the reduction in bioresources mass and so preserving the landbank.

We aim to continue our transition to AAD in AMP9, and when the transition is complete we will realise the benefits of the reduced mass of bioresources (50% mass destruction through the AAD process) and gas yield as a source of renewable energy. This helps to maintain the landbank and circular economy benefits of recycling bioresources to land and supports our net zero commitments.

Our outturn spend profile for 2025/26 is below the allowance; transitioning to AAD will require a longer planning process, which includes land acquisition, design and construction. We plan to utilise the IED funding allocated at PR24 to support the delivery of our site rationalisation and AAD programme, pending the agreement of the Environment Agency with our plans and timeline. We have made the Environment Agency aware of the plans but not yet progressed as far as full agreement with the plan and timeline, as details of the site rationalisation programme are still being worked through.

An additional requirement for the AAD solution is to secure a site location, this involves site selection and acquisition, planning permission processes and environmental assessments. This process will take a considerable amount of time, estimated at approximately two years in our programme, and has the potential to cause delay. We have identified several appropriate land parcels and are working through the land acquisition and pre-app planning process for the preferred land parcel. We plan to carry out the outline and detailed design processes in parallel with land acquisition and planning, to deliver as soon as possible.

On programme planning, at this time delivery timescales are indicating that delivery could be as late as 2032. However, this could be accelerated if delays associated with land acquisition and securing planning permission are minimal. Due to the lack of certainty, we estimate 2030 at this time, but that may be liable to changes as the delivery progresses.

First Time Sewerage

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast by 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW29 - First time sewerage	Nr.	-	-	100%		7.301	0.127	100%

For this PCD, we are committed to new connections in Devon, Cornwall and in particular on the Isles of Scilly.

We became the licensed water service provider for the Isles of Scilly in 2020 and have made service improvements over the 2020-25 reporting period, in line with current environmental legislation. There is considerable pent-up demand to connect to wastewater networks on some islands where historically those networks did not exist. The first time sewerage schemes on the islands will deliver solutions that will protect the environment from failing private septic tanks and/or private septic tanks in poor repair. We are working with key stakeholders, such as the Council of the Isles of Scilly and the Duchy of Cornwall, to confirm the properties to connect and understand the property owners' responsibilities and the cost benefit of making those connections. As part of our other delivery schemes on the islands, we have constructed a contractor's "village" which will support delivery of this commitment.

We had not anticipated completing any connections in 2025/26, as schemes are progressing as planned through the feasibility stage. In 2026/27 we plan to deliver 40 first-time sewerage connections – approximately 20 new connections in Devon and Cornwall and the remainder on the Isles of Scilly. Likewise, our expenditure outturn is lower than the allowance, as the schemes are progressing through the feasibility stage. This will increase in subsequent years when site mobilisation and construction will take place.

Storm Overflows (FFT, Equivalent storage and Screens Only)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW4 - Flow to full treatment (FFT)	l/s	-	0	100%		19.179	7.790	89%
PCDWW5 - Equivalent storage	m3	-	4,183	100%		178.032	63.020	85%
PCDWW6 - Screens	Nr.	3	3	103%		2.057	0.885	148%

We have over delivered against our target in 2025-26 and many other schemes are in the hydraulic modelling stages of solution development. In total, we have 11 schemes in our Dawlish catchment which were completed in 2025/26 as well as a screen only installations in Chillington.

There is some lower than anticipated expenditure for FFT schemes, due to the design work needed to scope the projects. Planning work is however underway to accelerate FFT elements of projects, both those in the FFT PCD and where FFT / tank combination solutions will be counted using equivalent storage PCD calculations. This is resulting in deferred expenditure from the baseline allowance from 2025-26 into later years, due to the up-front modelling and design work – which typically incur lower spends. Currently work is ongoing to identify acceleration opportunities.

On programme planning for equivalent storage:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	6	11
2026/27	18	27	26
2027/28	25	108	77

On programme planning for FFT:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	0	0
2026/27	0	1	0
2027/28	1	4	1

Phosphorous removal

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW10 - Phosphorous removal (Population equivalent served)	000s	-	-	100%		45.407	15.699	65%

We are currently on track to deliver the outputs of the PCD as planned.

Our outturn expenditure for 2025/26 is lower than the baseline forecast expenditure in the first year due to planning and design of the delivery and solutions for the various schemes, rather than physical construction activity. Expenditure is planned to dramatically ramp up as the physical construction commences.

All schemes are currently planned for completion by early 2028/29. On programme planning:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	4	4	0
2026/27	0	25	0
2027/28	0	0	18

Growth at STWs

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW27 - Growth to Sewerage Treatment Works (Added Process Capacity in PE)	Nr.	-	-	100%		4.227	0.003	100%

We are aiming to provide additional capacity at sewage treatment works to accommodate growth and development in three catchments. The catchments are Ernesettle (Plymouth), Countess Wear (Exeter) and Cullompton. Growth is forecast at each of these catchments requiring investment in treatment capacity.

All three delivery schemes have been started and two have completed the feasibility stage to define the solution. The third is planned to complete the feasibility stage in December 2026.

Our outturn expenditure for 2025/26 is lower than the baseline forecast because the schemes are progressing through the delivery process, with expenditure due to increase in years 2026/27 and 2027/28 when site mobilisation and construction will take place.

All three schemes are due to reach Interim Milestone 3 at the start of 2027/28. On programme planning:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	0	0
2026/27	0	0	0
2027/28	3	0	0

Treatment for tightening of sanitary parameters

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast by 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW12 - Treatment for tightening of sanitary parameters (Population equivalent served)	000s	-	1.657	100%		0.003	0.476	73%

We have accelerated our delivery plans, with the scheme at Chillington Wastewater Treatment Works having been delivered early.

Expenditure has been incurred in the first year in planning the delivery and solutions for the various schemes, as well as the completion of the Chillington scheme. Our total expenditure forecast remains below the baseline forecast as we anticipate efficiencies throughout the life of the programme.

On programme planning:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	8	1
2026/27	5	14	1
2027/28	0	12	8

Network reinforcement (wastewater)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB3b - Network reinforcement						4.667	0.407	100%

In contrast to other PCDs, network reinforcement does not require reporting on outputs. It is instead an expenditure-only PCD.

Our outturn expenditure for 2025/26 is below the baseline forecast. This was driven by factors such as several key projects having encountered engineering challenges. These schemes are all expected to make significant progress in 2026/27 but on progress to date:

- A scheme at Noss Marina, Kingswear has significant route complexities due to its proximity to the coast as well as a rail line – the route of the sewer has now been confirmed, and the project is moving into detailed design.
- A scheme at Dawlish to link two previous phases of new sewer has difficult ground conditions with running sand affecting the construction method.
- Extended optioneering to confirm the preferred strategy to support growth in Looe, combined with summer embargoes due to tourism, has delayed progress with a scheme to accept additional flows from a holiday park.

The five schemes with high spend that this PCD covers includes:

- Higher Kingswear: 4 km of rising main / gravity sewer. Scheme currently in detailed design, completion due in 2027
- Bideford Urban Extension, Cornborough: a new pumping station and 1.75 km of rising main / gravity sewer. Scheme not promoted into delivery yet, completion due 2029.
- Culm Garden Village, Cullompton: new pumping station and 1.5 km of rising main / gravity sewer. Scheme currently being promoted into delivery, completion due 2028.
- Houghton Barton, Buckland: 0.8 km of sewer. Scheme not promoted into delivery yet, completion due 2030.
- Castle Canyke, Scarletts Well (Bodmin): 0.7 km of sewer. Scheme not promoted into delivery yet, completion due 2030.

South West Water (water)

Mains renewals

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB1a - Mains renewals – base	km	42.615	26.800	100%		12.513	8.583	100%

Our outturn output for 2025/26 is below the baseline forecast. This has largely been caused by wet weather at the start of the period which resulted in mobilisation challenges. We anticipate an increase in delivery in subsequent years to ensure we meet the cumulative target by 2029/30.

Our outturn expenditure for 2025/26 is below the baseline forecast reflecting the slower than anticipated delivery during the period.

WINEP Investigations

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW8 - Water WINEP/NEP Investigations	Nr.	-	-	97%		7.467	2.124	71%

The RAG is blue because we are asking for the Delivery Plan baseline to be reduced from 37 to 36.

The outputs Forecast 2029/30 is below 100% because of the request to change the baseline delivery profile (as the baseline has not yet been revised, the expected number of investigations is lower than the number stated in the PR24 final determination). The total number of forecast completed outputs has reduced from 37 to 36 due to the closure of WINEP Action ID 08SW103116 ('The carbon storage/flux impacts of the UST investments'). This scheme was part of the Natural Resources WINEP and has been closed following agreement the EA.

As a result, we are seeking a change to the Delivery Plan baseline (for a reduction from 37 to 36 schemes to be delivered by 2029/30). If Ofwat accept this reduction, the RAG would change from blue to green (as we would then be on track to meet the expected number of revised baseline deliverables, at 36 investigations).

The planned expenditure profile has been delayed, with expenditure now 2026/27, due to the timing of work required meet the agreed completion dates.

Raw Water Deterioration and Taste, Odour and Colour (DWI schemes)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW14, PCDW13 - Legal instruments	Nr.	-	-	133%		24.437	2.000	100%

We have accelerated the delivery of our planned scheme completions for this PCD, with six schemes forecasting completion early in 2026-27 and 12 planned for completion by 2029/30 (compared to the baseline of 9 in 2029/30).

The underspend for this year is a result of many of the schemes still being in the early milestone phases, with the majority of the costs associated from the construction phase of the schemes, which are not scheduled until later in the reporting period. There is a significant increase in planned expenditure in 2026-27, when six schemes are planned for completion. In addition, there are base maintenance costs associated with the schemes, but such expenditure is not reported in the delivery plan.

On programme planning:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	1	7	0
2026/27	1	8	6
2027/28	0	8	7

Lead replacement

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW15 - Lead communication pipes replaced/relined	Nr.	1,444	1,445	100%		2.452	3.350	75%
PCDW15 - Lead external supply pipes replaced/relined – non-schools	Nr.	2,888	561	100%		5.198	1.301	76%
PCDW15 - Lead internal supply pipes replaced/relined – non-schools	Nr.	1,444	6	100%		0.993	0.014	76%

The lead replacement programme achieved 35% of delivery target for this year. The outstanding shortfall is expected to be recovered by the end of Year 3, ensuring the programme remains on course to deliver 100% of its objectives by Year 2.

Meters

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast by 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW12 - New installations	Nr.	13,238	8,786	100%		4.190	2.824	84%
PCDW12 - Household meter upgrades	Nr.	112,854	101,945	100%		3.646	3.977	82%
PCDW12 - Non-household meter upgrades	Nr.	8,474	4,979	100%		0.274	0.251	82%
PCDW12 - Meter replacements	Nr.	121,328	115,112	100%		14.718	11.447	82%
PCDW12 - Connected meters	Nr.	-	-	100%		6.716	4.455	83%

All outputs for 2025/26 are slightly below the baseline with plans in place to recover this position in future years. This late delivery has been planned for as we are undergoing a strategic retendering process for our metering supply chain arrangements.

Our expenditure profiles are similarly below the baseline forecast for 2025/26. This reflects the current position of delivery. Our final forecast for 2029/30 is below the baseline forecast and reflects expected efficiencies in the overall programme.

Supply schemes

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW11a - Supply Schemes (WAFU Benefit [Total])	ML/d	-	-			1.024	-	100%

The outputs for this PCD are not required in the current reporting period (2025 to 2030). For this PCD we plan to deliver two supply schemes by March 2030, which will provide the required 3 ML/d benefit from 2030/31 onwards. The two schemes will improve resilience to drought and safeguard the supply of safe, clean drinking water for our customers. The two schemes are:

- **Restormel Water Treatment Works:** this project increases the treatment capacity ensuring resilient water supply for customers in the Colliford supply area. This scheme will add 2 ML/d benefit. The outturn allowance that was allocated to this scheme has been re-profiled to latter years, to allow for further optioneering to deliver the required solution.
- **Ampress borehole:** this project will provide additional water from a new borehole, which will be distributed to the nearby water treatment works. Additional headworks, kiosk and pipework will be required to connect it into the works, as well as upgrades to the dosing pumps at the works. This scheme will add 1 ML/d benefit. There was no spend in year with delivery expected to commence in 2027/28 and complete by the end of AMP8.

On programme planning, the supply chain agreements are currently planned to be completed until 2028/29:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	0	0
2026/27	0	0	0
2027/28	0	0	0

Supply interconnectors

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast by 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW16b - Supply interconnectors (WAFU Benefit)	ML/d	-	-			1.077	0.089	95%
PCDW16b - Supply interconnectors (Pipeline Length)	Km	-	-					

The outputs for this PCD are not required in the current reporting period (2025 to 2030) and these outputs typically represent an all of nothing position, i.e., we can only report them once the whole scheme is completed as opposed to progressive parts. We are however now planning to deliver the scheme early, by 2029/30.

This PCD will deliver 5.7km 500mm main from Whitecross Service Reservoir to Sowton Industrial estate. The scheme will enable transfer from Pynes zone to our Dotton zone which otherwise will have a supply demand deficit of 3 Md/d due to reductions to existing abstraction licences. These enhancements will contribute towards ensuring customers can be supplied in the near and long-term future.

On expenditure there is a delay compared to the baseline spend profile. Several network and control modification requirements have been identified downstream of the transfer main to facilitate management of the water within the receiving zone. There is also a separate scheme for which this PCD has interdependencies. Despite the low expenditure to date, the planned milestones have been accelerated, with scheme completion (interim milestone five) now forecast six months earlier in 2029/30 (rather than as planned at the end of 2029/30 as per the baseline profile).

On programme planning, supply chain agreement is currently planned by the end of 2026/27, with construction planned to being in 2027/28:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	0	0
2026/27	1	0	0
2027/28	0	1	0

Water efficiency

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW9 - Water demand savings (benefit)	MI/d	2.5	0.6	100%		2.813	0.289	100%

Our outturn outputs are below the baseline. In 2025/26, the programme delivered approximately 11.7% of the planned demand reduction benefits. In-year benefits were predominantly generated through household and non-household water efficiency visits.

The principal factor affecting delayed delivery was the lack of flow moderator installations alongside the AMI rollout, which represented 72% of the year one PCD benefit profile. While the tactical AMI installation phase has successfully maintained progress on meter delivery, it was not operationally viable to include flow moderators within this interim phase, resulting in the deferral of a substantial proportion of planned MI/d savings. Evidence from our Green Recovery programme also suggested there could be customer satisfaction issues arising from moderator installation, and therefore wider implementation has been paused whilst national research concludes that will allow us to make an informed decision, using best available evidence, on their use alongside our strategic metering programme from 2027/28.

Our expenditure is below the 2025/26 baseline allowance. The principal driver of this underspend was our delayed and reduced flow regulator programme.

Resilience interconnectors

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW16b - Length of resilience interconnectors	Km	-	-	NA		8.376	0.366	96%

There is a potential reduction in the scheme length required for the Alderney to Knapp Mill pinch points scheme (the overall length of the scheme is likely to reduce to 350m of new main against a planned length of 400m). This scheme has however been accelerated, with scheme completion (IM6) now expected earlier in 2028/29.

Our expenditure shows a delay compared to the baseline spend profile. There has been extensive liaison with and adaptation to changing plans from governors, planners and developers as part of the development and optioneering of the schemes which has prevented construction and material purchasing.

On programme planning, all five schemes are either awarded to the supply chain or at construction by the end of 2027/28:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	0	0
2026/27	0	0	0
2027/28	1	4	0

Cyber

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW17b - Legal instruments	Nr.	-	-			1.846	0.839	100%

The nature of the programme is not directly customer facing, however this PCD will deliver improvements to cyber resilience that will reduce the risk against malicious cyber activity that could allow disruption to water supply and sewerage services, impact water quality and/or the environment.

The outputs for this PCD are not required in the current reporting period (2025 to 2030) and the legal instrument will be delivered by 2031/32.

Our outturn expenditure is below the allowance for 2025/26. This is due to a delayed start to our programme although it is not anticipated to impact the delivery of the scheme by 2031/32.

On programme planning, the one scheme (legal instrument) is already at construction stage:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	1	0
2026/27	0	1	0
2027/28	0	1	0

SEMD

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW17a - Legal instruments	Nr.	-	-	-		1.536	-	119%

The outputs for this PCD are not required in the current reporting period (2025 to 2030) and the legal instrument will be delivered by 2030/31.

The delayed expenditure underspend in 2025/26 can be attributed to the tender process and supplier onboarding process for tanker suppliers. These tasks are almost complete and will therefore not cause long delays to the scheme.

On programme planning, the one scheme (legal instrument) is already at construction stage:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	1	0
2026/27	0	1	0
2027/28	0	1	0

Alderney WTW

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PR19PCD-9 - Alderney WTW	Nr.	-	-	100%				

In the previous reporting period (between 2020 to 2025), South West Water was incentivised to deliver the Alderney water treatment works (WTW), with performance calculated as the length of delay expressed as the number of calendar months between 31 March 2025 and the date on which the new water treatment works is expected to start putting wholesome water into supply.

In the 2024-25 Annual Performance Report, we confirmed that the construction of operational assets had been completed and said that the treatment works had undergone wet commissioning tests. The external assurer also confirmed that we had met the DWI requirements of having a disinfection policy in place and ready for implementation once the WTW begins supplying wholesome water. However, the Alderney WTW had not yet started putting wholesome water into supply. This was because our energy supplier had been unable to provide permanent power network upgrade as required for the new Alderney WTW.

We have recently provided evidence of the DWI delivery date change to Ofwat, which may result in a change to the PCD delivery date.

In contrast to other PCDs, the delivery of the Alderney WTW PCD does not require reporting on expenditure on interim milestones. It is instead an output-only PCD.

Network reinforcement (water)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast by 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB3a - Network reinforcement						2.662	1.191	138%

In contrast to other PCDs, network reinforcement does not require reporting on outputs. It is instead an expenditure-only PCD.

There is one scheme this PCD covers for water expenditure, the Toldish to Engelly Cornwall spine main.

We are accelerating expenditure in subsequent years, ensuring we have invested in additional network capacity.

Bristol Water

Mains renewals

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB1a - Mains renewals - base	Km	16.021	15.059	100%		4.704	3.998	97%
PCDB1b - Mains renewals - asset health adjustment	Km	6.695	2.545	100%		1.966	1.522	97%
PCDB1c - Mains renewals - enhancement leakage	Km	3.555	1.517	100%		1.044	0.643	88%
PCDB1d - Mains renewals - enhancement water quality	Km	5.175	0.771	100%		2.026 ¹⁴	1.344	100%

Our outturn output for 2025/26 is below the baseline. This has largely been caused by wet weather at the start of the period, which resulted in mobilisation challenges. We anticipate an increase in delivery in subsequent years to ensure we meet the cumulative target by 2029/30.

Our outturn expenditure for 2025/26 is below the baseline forecast reflecting the slower than anticipated delivery during the period.

WINEP Investigations

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast by 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW8 - Water WINEP/NEP Investigations	Nr.	-	-	88%		0.925	0.142	88%

The RAG is blue because we are asking for the baseline to be reduced from 16 to 14 due to the closure of one scheme and the deferral of another to AMP9. Two investigations - Water resource for peat investigations (08BW100008) and Chew Stoke Eele Pass Monitoring (08BW100009) – are no longer planned to be delivered.

The total number of forecast completed PCD lines has reduced from 16 to 14 due to the closure of Action ID 08BW100008 ('Water Resources for Peat Investigation') and the deferral of Action ID 08BW100009 ('Chew Stoke Eel Pass Monitoring') to AMP9. These schemes were part of the Natural Resources WINEP and have been closed/deferred with the agreement of the Environment Agency.

The delivery dates of three schemes have also changed. These changes have been made following agreement of the Environment Agency:

- The completion dates of Water Resources schemes 08BW100013 and 08BW100015 have been changed from 31/12/2026 to 31/03/2030.
- The completion date of Natural Resources scheme 08BW100035 has been changed from 30/04/2027 to 31/03/2030.

For 08BW100008 Water Resources for Peat investigation was removed from the BRL WINEP spreadsheet in November 2024. This WINEP scheme was no longer required due to the significant amount of work covered by

¹⁴ The Bristol Water Delivery Plan baseline profile does not show an annual profile for the allowance for PCDB1d. The allowance shown (2.026) is the total allowance (10.130) divided by five, to show an allowance for each year of the reporting period

the North Somerset Councils, North Somerset Levels and Moors Peatland Partnership investigation. It was agreed that Bristol Water would instead be required to increase its engagement and presence at the NSLM partnership meetings.

In 2023, scheme 08BW100009a was placed on the BRL AMP8 WINEP to enable monitoring of an Eel pass that was planned to be installed in AMP7. However, in 2024 it was confirmed that the AMP7 Eel Pass installation scheme was deferred to AMP9 therefore there would be no Eel Pass to monitor in AMP8. It was acknowledged by the Environment Agency in June 2024 and also confirmed in October 2025 that the scheme would be deferred. Our view is that funding would still likely be required in AMP9, but the scheme cannot be completed in AMP8. A non-delivery flexibility request is therefore more appropriate than a request for a revision to the Delivery Plan baseline.

The expenditure profile is delayed, largely due to the changes in scheme completion dates referred to above. In addition, the spend profile is lower in due to the closure of Action ID 08BW100008 ('Water Resources for Peat Investigation') and the deferral to AMP9 of Action ID 08BW100009 ('Chew Stoke Eel Pass Monitoring'). Although there is a change to the spend profile, the timing of work enables the successful completion of all schemes by the agreed delivery dates.

Raw Water Deterioration and Taste, Odour and Colour (DWI schemes)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW14, PCDW13 - Legal instruments	Nr.	-	-			7.697	1.170	73%

The outputs for this PCD are not required in the current reporting period (2025 to 2030) but we are well underway with the schemes. Of the seven schemes, one is currently at IM4 which is onsite construction activity and we are currently showing we will deliver at least one scheme earlier than originally planned.

The underspend for this year is a result of many of the schemes still being in the early milestone phases, with the majority of the costs associated from the construction phase of the schemes, which are not scheduled until later in the reporting period (in 2027-28 and 2028-29). In addition, we have been incurring base maintenance costs associated with the schemes, but such expenditure is not reported in the delivery plan.

On programme planning:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	1	0
2026/27	2	1	0
2027/28	1	3	0

Lead replacement

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW15 - Lead communication pipes replaced/relined	Nr.	630	361	100%		1.108	0.705	80%
Lead external PCDW15 - supply pipes replaced/relined - Non-schools	Nr.	1,300	1,317	100%		2.340	1.508	78%
PCDW15 - Lead internal supply pipes replaced/relined - Non-schools	Nr.	650	796	100%		0.447	0.287	78%

The programme remains on course to deliver the expected number of pipe replacements from 2026-27 onwards.

Meters

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW12 - New installations	Nr.	7,144	7,626	100%		2.615	2.081	87%
PCDW12 - Household meter upgrades	Nr.	22,083	21,194	100%		0.712	0.566	87%
PCDW12 - Non-household meter upgrades	Nr.	-	305	100%		-	-	100%
PCDW12 - Meter replacements	Nr.	26,109	24,281	100%		3.167	2.521	87%
PCDW12 - Connected meters	Nr.	-	-	100%		1.455	1.158	87%

Smart metering is at the core of our vision to become a Smart Water Business, delivering sustainable value, reflecting increasing customer, regulatory and shareholder expectations, technological advancement and a rapidly evolving ecosystem and market.

Although there has been partial under delivery in 2025-26, this has been planned for, as we are undergoing a strategic retendering process for our metering supply chain arrangements.

Cyber

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast by 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW17b - Legal instruments	Nr.	-	-			0.730	0.111	100%

The nature of the programme is not directly customer facing, however this PCD will deliver improvements to cyber resilience that will reduce the risk against malicious cyber activity that could allow disruption to water supply and sewerage services, impact water quality and/or the environment.

The outputs for this PCD are not required in the current reporting period (2025 to 2030) and the legal instrument will be delivered by 2031-32.

On programme planning, the one scheme (legal instrument) is already at construction stage:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	1	0
2026/27	0	1	0
2027/28	0	1	0

SEMD

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast by 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW17a - Legal instruments	Nr.	-	-			0.724	-	74%

The outputs for this PCD are not required in the current reporting period (2025 to 2030) and the legal instrument will be delivered by 2030/31.

The delayed expenditure underspend in 202025/26 can be attributed to the tender process and supplier onboarding process for tanker supplier. These tasks are almost complete and will not impact the overall delivery timeline of the scheme.

On programme planning, the one scheme (legal instrument) is already at construction stage:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	1	0
2026/27	0	1	0
2027/28	0	1	0

SES Water

Mains renewals

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB1a - Mains renewals - base	Nr.	7.986	4.900	100%		2.345	2.206	81%

Our outturn output for 2025/26 is below the baseline. This has largely been caused by wet weather at the start of the period which resulted in mobilisation challenges. We anticipate an increase in delivery in subsequent years to ensure we meet the cumulative target by 2029/30.

Water softening

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDB4a / PCDB4b - Water softening	Mg/l	80.00	78.66	100%		4.740	1.948	96%
						0.270	0.270	100%

The delivery of water softening outputs this year has been affected by planned maintenance on current UV systems. This impact is not expected to impact our planned outputs in the longer-term.

WINEP Investigations

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW8 - Water WINEP/NEP Investigations	Nr.	-	-	100%		0.706	0.159	100%

We are planning the completion of seven investigations by the end of 2026/27, with all 10 investigations to be completed by the end of 2029/30.

Raw Water Deterioration and Taste, Odour and Colour (DWI schemes)

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW14, PCDW13 - Legal instruments	Nr.	-	-	100%		0.000	0.081	100%

We are planning the completion of two legal instruments by the end of 2029/30, with all four legal instruments to be completed by the end of 2031/32.

On programme planning, the delivery of two legal instruments have already reached the construction stage:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	2	0
2026/27	0	2	0
2027/28	0	2	0

Lead replacement

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW15 - Lead external supply pipes replaced/relined - Non-schools	Nr.	25	73	100%		0.045	0.265	118%
PCDW15 - Lead external supply pipes replaced/relined - Schools	Nr.	68	-	100%		0.897	-	100%

The lead replacement programme achieved 78% of its 2025/26 delivery target. The outstanding shortfall is expected to be recovered by the end of 2027/28, ensuring the programme remains on course to deliver 100% of its objective by 2029/30.

Water Resilience Climate Change Uplift

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDWW32 - Spend on scheme as a % of allowance	%	-	-	100%		0.139	-	100%

There is a separate report on PCD performance and future plans. This can be found on our website.

On programme planning, the scheme is on track to reach construction by the end of 2026/27:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	0	0
2026/27	0	1	0
2027/28	0	1	0

Meters

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW12 - New installations	Nr.	1,070	1,635	100%		0.420	0.172	100%
PCDW12 - Household meter upgrades	Nr.	38,786	19,474	100%		1.251	1.913	100%
PCDW12 - Non household meter upgrades	Nr.	1,720	192	100%		0.055	0.019	100%
PCDW12 - Meter Replacements	Nr.	40,506	743	100%		4.914	0.079	100%
PCDW12 - Connected meters	Nr.	-	-	100%		2.071	0.000	0%

All outturn outputs for 2025/26 are below the baseline. This under delivery has been planned for as we are undergoing a strategic retendering process for our metering supply chain arrangements.

As with outturn outputs, outturn expenditure is similarly below the baseline forecast for 2025/26. This reflects the current position of delivery.

Resilience interconnectors

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW16b - Reservoir bypass	Nr.	-	-	100%		0.059	-	125%

The PCD covers three interconnector schemes connecting reservoir zones:

- Headley Reservoir bypass. This requires a short length of main to connect adjacent mains with control, monitoring, and ancillaries
- Outwood Reservoir bypass. This will be the longest of the interconnectors (circa 300m). It is not located at the reservoir itself but at Outwood Lane. It is a cross connection from Headley to Outwood zones

- North Looe Reservoir bypass. This requires a short length of main to connect adjacent mains with control, monitoring, and ancillaries.

These interconnectors will increase the ability of our systems to withstand or recover from issues that have the potential to affect supply to our customers.

On programme planning:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	0	0
2026/27	0	3	0
2027/28	0	4	0

Cyber

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW17b - Legal instruments	Nr.	-	-	100%		0.068	0.011	100%

The nature of the programme is not directly customer facing, however this PCD will deliver improvements to cyber resilience that will reduce the risk against malicious cyber activity that could allow disruption to water supply and sewerage services, impact water quality and/or the environment.

Our outturn expenditure is below the allowance for 2025/26. This is due to a delayed start to our programme. But this delay is not anticipated to impact the delivery of the scheme by 2029/30.

On programme planning:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	1	0
2026/27	0	1	0
2027/28	0	1	0

SEMD

PCD Description	Outputs					Expenditure		
	Unit	Target 2025/26	Outturn 2025/26	Forecast 2029/30	RAG	Allowance 2025/26 (£m)	Outturn 2025/26 (£m)	Forecast 2029/30
PCDW17a - Legal instruments	Nr.	-	-			0.339	0.000	117%

The outputs for this PCD are not required in the current reporting period (2025 to 2030). The four legal instruments will be delivered by 2031-32.

The delayed expenditure underspend in 2025/26 can be attributed to the tender process and supplier onboarding process for tanker supplier. These tasks are almost complete and will not impact the overall delivery of the scheme.

On programme planning, all four schemes have already reached the construction stage:

Reporting Year	Nr schemes awarded to the supply chain (interim milestone 3)	Nr schemes reaching construction (interim milestone 4)	Nr schemes at completion (interim milestone 6)
2025/26	0	4	0
2026/27	0	4	0
2027/28	0	4	0

Appendix A - Material Changes

We have summarised material changes for all PCDs, where there is a change to the baseline profiles or a change compared to the previous regulatory submission. We use Ofwat's definition of a material change:

- Change in RAG status;
- Output delivery below 85% of baseline;
- Expenditure below 75% of baseline;
- Material negative movement in interim milestones - defined as more than 20% of schemes within a PCD group moving by more than 90 days later than baseline.
- Scheme-level milestone delays greater than 90 days, completion date changes greater than 90 days, and scheme substitutions or removals.

Change to RAG status

There are three PCDs where the RAG status has changed compared to the previous (half-year submission):

- **Water WINEP Investigations (SWB)** has moved from green to blue, due to required changes to the baseline, following agreed changes agreed with the Environment Agency over the number of investigations expected to be completed in this reporting period
- **Water WINEP Investigations (BRL)** has moved from green to blue, due to required changes to the baseline, following agreed changes agreed with the Environment Agency over the number of investigations expected to be completed in this reporting period
- **Bioresources IED (SWB)** has moved from green to amber. This is due to uncertainties over site rationalisation

Outputs below 85% of baseline profile

The table below summarises the PCDs where output delivery falls below 85% of the baseline (target) delivery profile.

PCD	Region	Delivery as a percentage of PCD output target in 2025-26 (%)
Continuous river water quality monitoring	SWB	0%
Mains renewals	SWB	63%
Lead (overall programme)	SWB	35%
Water efficiency	SWB	24%
Mains renewals (overall programme)	BRL	51%
Mains renewals	SES	61%
Metering (overall programme)	SES	27%
Lead (overall programme)	SES	78%

Expenditure below 75% of baseline allowance

The table below summarises the PCDs where expenditure profile falls below 75% of the baseline (target) expenditure profile.

For many PCDs, such shortfall is deferred into 2026/27 and 2027/28, to ensure we are still on track to meet our baseline deliverables.

PCD	Region	Expenditure as a percentage of allowed in 2025-26 (%)	Primary reason(s) for expenditure profile to fall below allowed total expenditure
Continuous river water quality monitoring	SWB	27%	Land access challenges & additional planning to gain land entry
MCERTs monitoring of emergency overflows (overall programme)	SWB	18%	Not applicable. Output delivered
Storm overflows - screens	SWB	49%	Not applicable. Outputs on track
NBS for nutrients and sanitary determinands	SWB	41%	Programme level efficiency & changes to solutions / planning
WINEP investigations (wastewater)	SWB	52%	Not applicable. Output delivered
Sludge thickening and dewatering	SWB	0%	Linked to changes in future plans
Bioresources - IED	SWB	4%	Land / site issues
First Time Sewerage	SWB	2%	Additional planning/design work
Storm Overflows - Equivalent storage	SWB	35%	Change in solution – optioneering
Storm Overflows – FFT	SWB	41%	Change in solution – optioneering
Phosphorous removal	SWB	35%	Programme level efficiency
Growth at STWs	SWB	0%	Land purchase & change in solution
Network reinforcement (wastewater)	SWB	9%	Planning/design
Network reinforcement (water)	SWB	45%	Planning/design
Mains renewals	SWB	69%	Planning, design & change in solution
WINEP investigations	SWB	28%	Early planning & desk based work
Raw Water Deterioration and Taste, Odour & Colour	SWB	8%	Planning/design
Lead	SWB	54%	Site issues & customer engagement
Supply	SWB	0%	Planning & design
Supply Interconnectors	SWB	8%	Planning & design
Water efficiency	SWB	10%	Change of solution
Resilience interconnectors	SWB	4%	Planning & design
Cyber	SWB	45%	Not applicable
SEMD	SWB	0%	Planning (tender process)
WINEP Investigations	BRL	15%	Regulatory sign-off delay
Raw Water Deterioration and Taste, Odour & Colour	BRL	15%	Planning/design
Lead	BRL	64%	Site issues & customer engagement
Cyber	BRL	15%	Not applicable
SEMD	BRL	0%	Planning (tender process)
WINEP Investigations	SES	23%	Planning & design
Lead	SES	28%	Site issues & customer engagement
Resilience CC Uplift	SES	0%	Planning & design
Meters	SES	25%	Planning (tender process)
Resilience interconnectors	SES	0%	Planning & design
Cyber	SES	16%	Not applicable
SEMD	SES	0%	Planning (tender process)
Water softening (overall programme)	SES	44%	Planning & design

Negative Movements in interim milestones compared to baseline

There are no material negative movements in interim milestones for South West Water, Bristol Water and SES Water at a programme level. The changes to the interim milestones primarily reflect plans for accelerated delivery.

Scheme level milestone delays compared to Q3 forecast

- For the Kilmington SOs & P Schemes, there are delays for KILMINGTON_STW_SSO_AXMINSTER
- For the Delabole SOs & P Scheme schemes, there are delays for DELABOLE STW_SO_DELABOLE
- For the Exmouth SOs & WWTW improvement schemes, there are delays for four schemes: HARTOPP ROAD_PSCSOEO_EXMOUTH, IMPERIAL RD - TANK_CSO_EXMOUTH, MAER LANE STW_SSO_EXMOUTH, and PHEAR PARK SPST_PSCSOEO_EXMOUTH
- There are delays to the SWB Cranbrook to Honiton (resilience interconnectors) scheme
- There are delays to the BRL Stowey WTW Various parameters (Raw Water Deterioration and Taste, Odour and Colour) scheme
- There are delays to the BRL Littleton WTW Various parameters (Raw Water Deterioration and Taste, Odour and Colour) scheme
- There are delays to the SES Cheam Cryptosporidium Raw Water Deterioration and Taste, Odour and Colour) scheme
- There are delays to the SES Kenley Cryptosporidium Raw Water Deterioration and Taste, Odour and Colour) scheme

Appendix B - Glossary of PCDs

PCD	Description
Continuous water quality monitors (CWQMs)	River water quality monitoring provides information on the health of the river and the ecosystems it supports. It informs us of any harmful substances entering the river so that we can act quickly and limit impact to environmental and public health. Monitors use sensors to collect information such as temperature, pH, dissolved oxygen, and presence of pollutants.
MCERTs monitoring of emergency overflows at sewage pumping stations	MCERTs is a set of standards established by the Environment Agency to ensure the quality and reliability of environmental monitoring. Emergency overflows at sewerage pumping stations can release untreated sewage into rivers and other water bodies. This is designed to happen in emergency conditions, such as external power loss, multi-pumps failures and a burst rising main. MCERTs monitoring helps detect storm overflow events quickly, allowing our technicians to take immediate action to minimise environmental impact.
Storm Overflows - Screen Only	A storm overflow screen is a device installed in sewer systems to filter out debris and solid waste from stormwater before it is discharged into natural water bodies. These screens are designed to capture a significant quantity of persistent material like plastics and litter, as well as faecal and organic solids preventing them from entering rivers, lakes, and ocean during a storm event. Whilst our goal is to have no storm overflows spilling into the environment by 2040, screens are a temporary measure that help to protect the water quality of our rivers and seas by being a first defence for solid pollutants.
Nature based solutions for treatment of nutrients and sanitary determinands	This PCD covers investments associated with both Nutrient schemes and Sanitary schemes which are intended to be delivered through Nature-based Solutions (NbS). The suite of schemes are associated with new permit conditions or the tightening of existing permit conditions for either nutrient (Nitrogen or Phosphorous) as well as Sanitary (Biological Oxygen Demand, Suspended Solids and/or Ammonia) determinands.
WINEP investigations (wastewater)	WINEP stands for Water Industry National Environment Programme. This is a framework that outlines the environmental requirements of water companies. Every water company in England has their own individual WINEP that outlines the company's environmental obligations and investments. Part of the WINEP programme includes wastewater investigations. These are environmental investigations and options appraisals that aim to identify actions or determine impacts, costs and technical feasibility of meeting our environmental targets. It is important we carry out these investigations so we can understand where issues are arising and where we might need investment from 2030 and beyond.
Sludge Treatment (Thickening/Dewatering)	Sludge is a by-product of our wastewater treatment process and once treated, through anaerobic digestion, is a useful bioresource for agriculture. This programme will deliver enhanced dewatering equipment to ensure we can consistently reach a threshold of 25% dry solids in line with the Biosolids Assurance Scheme (BAS) standards. Achieving this threshold ensures a more stable and stackable product will be recycled to agriculture, reducing the risk of pollution to land or watercourses caused by slippage of stockpiles or in the spreading process.
Industrial Emissions Directive (IED)	The Industrial Emissions Directive (IED) is a regulation established by the European Union to control and reduce pollution from industrial activities; this includes controlling emissions from wastewater treatment processes. The UK is committed to maintaining environmental standards and continues to apply the existing successful model of integrated pollution control. One of the main outputs of our wastewater treatment processes is sludge. Sludge is the by-product of wastewater treatment. It is an organic material that is collected from the bottom of the settlement tanks. This by-product is then treated to ensure the pathogen content of the sludge meets the levels for safe recycling back to agricultural land, making it a safe bioresource that meets the industrial emissions directive and can be used as a fertiliser.

PCD	Description
First Time Sewerage	This programme focuses on delivering first-time sewerage services to the Isles of Scilly, where we currently only provide drinking water. The Isles of Scilly are environmentally sensitive and nationally significant, with no public wastewater infrastructure on Bryher, St Agnes, and St Martins. The PCD will deliver first time sewerage solutions to St Marys, Bryher, St Agnes and St Martins on the Isles of Scilly. This is in response to three first time sewerage requests received from the Duchy of Cornwall, the main property owner on the islands.
Storm Overflows - Equivalent storage	Storm overflows act like safety valves on the wastewater network. When the system becomes too full (for example, after heavy rain), storm overflows release the excess. If we did not use storm overflows, sewage would build up in pipes and flood into people's gardens and homes. We want to reduce the need for storm overflows to operate, hence we are investing record amounts into improving, expanding and upgrading our network to better cope with the volumes of wastewater it deals with.
Storm Overflows - Flow to full treatment (FFT)	Flow to full treatment (FFT) refers to the maximum amount of wastewater a sewage treatment works (STW) can process (in litres per second). Increasing this capacity helps manage higher volumes, especially during heavy rainfall, reducing the need for storm overflows and protecting the environment. Due to climate change and more frequent intense rainfall, boosting FFT is essential. Increased flow to full treatment is the additional hydraulic capacity added at the STWs to avoid sewerage spills to the environment might be added through creation of additional treatment capacity or creation of the ability to drain down larger storm tanks in between storm events.
Phosphorous removal	This programme covers the investments required to deliver a selection of the nutrients (phosphorous) improvements at wastewater treatment works. Removing phosphorous from our wastewater before we release it into the environment is essential. Consequently, strict limits are set on the amount of phosphorous that treated water can contain before it's discharged. The success of a phosphorous removal scheme is measured through population equivalents of the contributory catchments of the treatment works assigned. This is a measure of the population that has been affected by this investment, helping us to quantify the number of people benefiting from this improvement.
Growth at STWs	This programme aims to upgrade wastewater treatment facilities to enable new connections for developers and local authorities, without any detrimental impact on the environment. This investment programme will increase much needed wastewater treatment capacity at Cullompton and Countess Wear. Both treatment work areas are expecting large increases in population equivalent served, new developments and homes, which will see increases in volumes at treatment works.
Treatment for tightening of sanitary parameters	Sanitary parameters are legal targets set by the Environment Agency under the Urban Wastewater Treatment Directive or the Water Framework directive, to ensure water companies cause no harm to the environment. This programme focuses on conventional treatment solutions to manage sanitary determinands i.e. Biological Oxygen Demand (BOD), Suspended Solids (SS), and Ammonia (NH₄).
Network reinforcement (wastewater)	Network reinforcement is when companies invest in improving and expanding our infrastructure to ensure they can meet the needs of new customers without compromising the service provided to existing customers. This involves upgrading or adding new network assets, such as pipes, pumps, and treatment facilities. By upgrading and expanding their infrastructure, water companies can meet growing demand, improve the efficiency and capacity of the network and comply with regulatory standards. Network reinforcement applies to both wastewater and clean water.

PCD	Description
Mains renewals	Over time water pipes can become worn out, corroded or damaged. This can lead to leaks, reduced pressure and sometimes discoloured water. Renewing these pipes helps to maintain a clean and efficient water supply so that when you turn your tap on water is always flowing. Mains renewals include mains whose primary purpose is renewal of an existing main, even where existing main remains in service (i.e. is not abandoned immediately on commissioning of new main). The main must be in service to be included in reporting (i.e. commissioning must be complete). Mains renewals include mains sleeving / pipe cracking / slip lining where used for this category of work to restore the structural integrity of the main.
WINEP Investigations (water)	WINEP stands for Water Industry National Environment Programme. This is a framework that outlines the environmental requirements of water companies. Every water company in England has their own individual WINEP that outlines the company's environmental obligations and investments. Part of the WINEP programme includes wastewater investigations. These are environmental investigations and options appraisals that aim to identify actions or determine impacts, costs and technical feasibility of meeting our environmental targets. It is important we carry out these investigations so we can understand where issues are arising and where we might need investment from 2030 and beyond.
Raw Water Deterioration and Taste, Odour and Colour (DWI schemes)	Raw water quality is declining due to pollution from agricultural runoff and every day synthetic chemicals, affecting rivers, lakes, and groundwater. This can impact the taste, odour, and colour of drinking water. Improving raw water supports water treatment efficiency, protects the environment, and ensures high-quality drinking water reaches our customers.
Lead replacement	Lead pipes, once common due to their durability, are now known to pose health risks. Although no new lead pipes have been installed since 1970, some still remain in the network.
Meters	Smart water meters help customers monitor and manage water use, encouraging reduced consumption and lower bills. They also support environmental protection by promoting efficient resource use and help detect leaks through automatic data reporting. The programme is driven by the urgent need to reduce water demand and aligns with long-term goals for improved customer service, environmental outcomes, and cost efficiency.
Supply schemes	The impact of climate change means we need to be prepared to not only match the required water supply for drinking water but also the recreational and agricultural needs of our regions. Water supply schemes involve the collection, treatment, storage and distribution of water to homes and aims to deliver more availability of water. Managing the supply demand balance and ensuring that we have delivered as planned, requires a longer-term focus. The benefits of this programme will therefore likely not be delivered until 2031.
Supply interconnectors	Supply interconnectors are required to increase the water available for use (WAFU) in zones that have a supply demand deficit due to reductions to existing abstraction licences. These network enhancements will contribute towards ensuring customers can be supplied now and in the future. These interventions form a vital part of our strategy to ensure customer water needs are met whatever challenges occur.
Water efficiency	By helping our customers and communities use water more efficiently, we can reduce overall demand—ensuring there's enough water for both people and the environment. This will lead to lower household and business use. Additionally, we aim to share best practices from our projects with other water companies to support nationwide efforts to ease pressure on natural water resources. The water efficiency programme comprises of several projects covering both household and non-household (business) customers. We have split up our projects in the following subgroups: • Home Efficiency Visit: Water efficiency audit with free water efficient device installation and additional comms and media • Business Efficiency Visits: Water efficiency audits, leak detection, retrofits and people on premises on how to be more efficient

PCD	Description
	- Helping Communities and Developments: Incentivising individuals and communities to reduce water use. Conducting water efficiency projects targeted at specific groups (Community, religious groups etc). - School Visits Water Efficiency Programme: audits, water efficiency education, fixing leaky loos, and retrofits to help save water use. - Treated Wastewater: Reuse treated wastewater effluent as an alternative supply
Resilience interconnectors	Resilience interconnectors increase the ability of our systems to withstand or recover from issues that have the potential to affect supply to our customers. These network enhancements will mitigate risks posed by vulnerabilities of critical assets and single sources of supply to customers. These interventions are vital to provide resilience to extreme events including those caused by climate change.
Cyber	To ensure we provide a high-quality resilient service to our customers, both operationally and through tailored, multi-channel, digitally enabled customer service, we need to: - ensure that events such as cyber-attack have no impact on services - protect data and services from criminal activity and cyber threat - monitor and mitigate the threat posed by global cyber security attacks - invest in systems to ensure that we are able to keep pace with emerging threats, maintain a stable service to customers and make sure that we are able to restore service with minimum disruption. As we expand our use of smart technologies, data and digital solutions to deliver operational excellence, we will also continue to assess and mitigate the risk presented by global cyber security threats. We will continue to invest in both corporate Information Technology and Operational Technology to ensure that we are able to keep pace with emerging threats to protect customer data and maintain a stable services.
SEMD	SEMD (Security and Emergency Measures Directive) ensures that water companies maintain a water supply and sewerage systems in the interests of national security or to mitigate the effects of a civil emergency, for example widespread power outage due to severe weather. This programme tracks investment associated with this directive.
Alderney WTW	This programme will ensure efficient delivery of the Alderney water treatment works, which had been delayed from the original delivery date of 31 March 2025, following a delay to putting wholesome water into supply due to delays in Scottish & Southern Energy Network (SSEN) providing the required power upgrade.
Water softening	Water softening is a process that makes hard water softer by removing minerals like calcium and magnesium. Our customers in Sutton and East Surrey live in a hard water zone, and we have a statutory obligation to soften the naturally hard groundwater in the SES supply area. This prevents scale developing on customer appliances and in our pipes network reducing water efficiency and the lifespan of pipes. As a result of this programme, customers will see reduced scale build up in appliances and our pipes will have less scale, protecting water efficiency and the lifespan of our pipes.
Water resilience climate change uplift	This programme aims to improve the resilience of the network against challenges caused by flooding and power outages.
Network reinforcement (water)	Network reinforcement is when companies invest in improving and expanding our infrastructure to ensure they can meet the needs of new customers without compromising the service provided to existing customers. This involves upgrading or adding new network assets, such as pipes, pumps, and treatment facilities. By upgrading and expanding their infrastructure, water companies can meet growing demand, improve the efficiency and capacity of the network and comply with regulatory standards. Network reinforcement applies to both wastewater and clean water.

Appendix C - Assurance

This report has been subject to independent assurance in accordance with Ofwat's PR24 assurance requirements for delivery of enhancement schemes¹⁵. The assurer has reviewed the supporting data, governance and reporting processes.¹⁶

Two separate independent assurance reports are available on request – one covering the areas of South West and Bristol and another report covering the area of Sutton and East Surrey.

For South West and Bristol, the Independent Assurance Report concludes:

Overall, based on our scope of work and the limited assurance undertaken, for the August 2026 delivery plan submission, we did not find any material misstatement. We consider that:

- *the delivery plan covers all enhancement schemes and areas of expenditure covered by PCDs.*
- *the company has identified all PCDs for which interim milestones may be required.*
- *the company has a delivery plan in place in the PCD areas where interim milestones have been identified.*
- *the interim milestones identified by the company are consistent with the delivery plan.*
- *there are not movements of over one quarter in scheme target completion dates compared to the original business plan.*
- *the scheme target completion dates in the delivery plan meet statutory and regulatory obligations, and.*
- *We have identified a small number of non-material exceptions and some PCDs where we have a different opinion on the Company's RAG assessment. However, considering the complexity and size of the PCD delivery programme across the three companies, in the round our review supports the Company Overall Risk Score for the PCDs as Amber.*

For Sutton and East Surrey, the Independent Assurance Report concludes:

Overall, based on our scope of work and the limited assurance undertaken, for the company's August 2026 delivery plan submission, we did not find any material misstatement. We consider that:

- *the delivery plan covers all enhancement schemes and areas of expenditure covered by PCDs.*
- *the company has identified all PCDs for which interim milestones may be required.*
- *the company has a delivery plan in place in the PCD areas where interim milestones have been identified.*
- *the interim milestones identified by the company are consistent with the delivery plan.*
- *there are not movements of over one quarter in scheme target completion dates compared to the original business plan.*
- *the scheme target completion dates in the delivery plan meet statutory and regulatory obligations, and.*
- *We have identified a small number of non-material exceptions and some PCDs where we have a different opinion on the Company's RAG assessment. However, considering the complexity and size of the PCD delivery programme across this company, in the round our review supports the Company Overall Risk Score for the PCDs as Amber.*

¹⁵ Ofwat (December 2024) [PR24 final determinations: Expenditure allowances - Assurance requirements for delivery of enhancement schemes](#)

¹⁶ This scope excludes SWB PCDWW3 - MCERTs monitoring at emergency sewage pumping station overflows

Appendix D – Output Delivery RAG rating

Within the Delivery Plan data tables we include a RAG rating for all PCDs in data tables DPB1, DPW1 and DPWW1 of each delivery plan submission. This allows Ofwat and stakeholders to identify those PCD areas where the company is forecasting to deliver PCD target in full by the end of the PR24 period. It will also allow Ofwat and stakeholders to understand where the company is not forecasting to meet its PCD targets and the reasons for this.

Ofwat has prescribed the RAG ratings. This is a risk assessment for performance against the output requirements for each PCD, which takes the form of a Red/Amber/Green rating where:

- Green = Performance is on track to meet the PCD output requirements (or WINEP, WRMP, NEP, DWI statutory requirements if earlier). There is little indication of any factors which may cause performance to deteriorate from PCD requirements in the following years. Where there is indication of risk, the company is confident in its ability to mitigate this risk.
- Amber = There is moderate to high risk that meeting PCD output requirements (or WINEP, WRMP, NEP, DWI statutory requirements if earlier) is not on track (or there are indications that requirements may not be met in the following years). Although the company is still expecting to meet PCD requirements by 30 June 2030 (or WINEP, WRMP, NEP, DWI statutory dates if earlier) and has mitigations in place to address risks, it has moderate confidence in its ability to mitigate these risks.
- Red = There is a high risk that PCD output requirements (or WINEP, WRMP, NEP, DWI statutory requirements if earlier) are not going to be met in full (unless agreed with the EA/NRW/DWI). There are insufficient mitigations in place to address risks and meet the requirements by 30 June 2030 (or WINEP, WRMP, NEP, DWI statutory dates if earlier). Where there are mitigations in place, the company is not confident that these mitigations will address risks.
- Blue = PCD output requirements (or WINEP, WRMP, NEP, DWI statutory requirements if earlier) are not going to be met because the outputs are no longer required in the short and long term. This should only be used where companies are awaiting a decision from Ofwat on a change to their baseline where there are changes to statutory requirements.

