

Bristol Water Challenge Panel

Annual Report 2025/26



About this Report

This Annual Report outlines the activities and achievements of the Bristol Water Challenge Panel (BWCP) during the 2025/26 financial year and sets out the priorities for the Bristol Region in the WaterShare+ Group Panel for 2026/27. Unless otherwise stated, data presented in this report relates to the 2025/26 period.

The Bristol Water Challenge Panel serves as the Independent Challenge Group (ICG) for Bristol Water during 2025/26. The Challenge Panel works alongside the WaterShare+ Group Panel, which has a broader oversight role across all Pennon Group water companies including: South West Water (SWW), Bournemouth Water (BMTH), Isles of Scilly Water (IOS), Bristol Water (BRL) and Sutton and East Surrey Water (SES) to provide scrutiny and hold the company to account. In this report, 'the company' refers to Bristol Water.

Water companies submit business plans to Ofwat (the Water Services Regulation Authority, which is the economic regulator of the water and wastewater industry in England and Wales), setting out the investment plans and service improvements they intend to deliver over the following five years. These five-year periods are known as Price Reviews (PR) and Asset Management Periods (AMPs). Price Reviews determine how much companies can charge customers and what improvements companies must deliver within each five-year Asset Management Period. Price Review 2024 (PR24) covers the five-year AMP8 period from 1 April 2025 to 31 March 2030. The period covered by this report is the first year of the PR24 period. Companies submitted PR24 plans to Ofwat in October 2023 and, following a Draft Determination period of consultation, plans were approved by Ofwat in its Final Determination in December 2024.

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Welcome from the Chair



Peaches Golding OBE CStJ
Chair of the Bristol Water
Challenge Panel, Deputy Chair
of the WaterShare+ Group Panel

Everyone has a right to clean, safe and reliable drinking water. Bristol Water is required to deliver a reliable water supply, reduce leaks, support vulnerable customers, provide high standards of customer service, have concern for the natural environment and far more.

Ofwat allocates funding based on the company's customer service performance as measured by C-Mex, customer measure of experience i.e. customer satisfaction with the services and experiences provided, with penalties for companies underperforming and overpayments for those excelling. The Bristol Water Challenge (BWCP) panel has monitored the past year's activities.

The BWCP is an independent body established in 2016 to hear customer concerns, review customer research and scrutinise company performance. Bristol Water has benefited significantly from having a customer-focused forum that ensures the SWW Board understands the broad range of customer views and enables regulators to assess how effectively the company responds to customer priorities and preferences. Bristol Water is regulated by the Department for Environment, Food and Rural Affairs (Defra), the Water Services Regulation Authority (Ofwat), the Environment Agency (EA), Natural England and the Drinking Water Inspectorate (DWI). The Consumer Council for Water (CCW) is the independent voice for water consumers in England and Wales; it champions consumer interests with companies, governments and regulators and supports individuals in resolving complaints.

The purpose of this Annual Report of the Challenge Panel is to inform customers, SWW shareholder customers, regulators and other stakeholders about Bristol Water's performance in the first year of the 2025–2030 business plan. Throughout the year, the Challenge Panel has closely monitored and scrutinised Bristol Water's delivery against every promise made to customers in its regulated and approved business plan. This includes overseeing the conclusion of the Social Contract established in 2019, which operated throughout the 2020–2025 period to address community wellbeing challenges and strengthen trust. Highlights of the Social Contract include contributions towards the refurbishment of the Bristol Beacon and creation of the Bristol Water Sound Studios, the Chew Valley Lake trail, the Resource West initiative and contributions to the Bristol One City Climate and Ecological Emergency Strategies. We are pleased that the pioneering Bristol Water's Social Contract framework has now been embedded within Pennon's Environmental and Social Governance (ESG) Framework, supporting sustainable performance through to 2030 and beyond.

The Challenge Panel concluded its function after the 2025/2026 period as Bristol Water's licence is now fully integrated within SWW. Bristol Water is aligning its assurance and engagement processes across the Pennon Group and the Regional Chairs of the WaterShare+ Panel receive localised updates from the company ahead of meetings with the Pennon Executive. The company is committed to regional representation and WaterShare+ will continue to incorporate regional representation and challenges through a Bristol Water Chair and Deputy Chair. The introduction of Ofwat's new Consumer Involvement in Decision Making rule further strengthens the representation of Bristol Water customers by ensuring customers are involved in decisions that have a material impact on them.

CCW's Consumer Panels supplement this rule through monthly research and biannual accountability sessions and will help inform regional challenge. CCW's panels are split into two. One panel includes customers from SWW, Bristol Water and Bournemouth and the other includes customers from SES water.

I would like to express my sincere thanks to the outgoing Panel members—Anthony Denham, Catherine Jones, Councillor Abi Finch, Councillor Liz Leyshon, Laura Henley, Dr Tabinda Rashid Fadel, Fran Begley, Colin Williams, Councillor Patrick Keating, as well as our independent advisors Tamsin Sutton and Frances Cribb—for their invaluable contributions. Their expertise, commitment and passion for customer service has been instrumental in representing the diverse communities within the Bristol Water supply area and in supporting Bristol Water's achievement as the second best performing water company.

Although the Challenge Panel will conclude after 2025/2026, the WaterShare+ Panel remains firmly committed to supporting vulnerable customers, particularly in the context of the ongoing cost of living crisis. I am proud that many areas of best practice pioneered by the Challenge Panel such as the Social Contract, the systematic recording of challenges made to the company on its performance, the inclusion of local council and diverse customer voices on the panel have been adopted by the WaterShare+ Panel.

The company will continue to provide the WaterShare+ panel with UK Customer Satisfaction Index (UKCSI) results, alongside a wide range of customer research and reporting. This enables continued scrutiny of both the company's strategic direction and the day to day service provided to bill payers and households. The WaterShare+ Panel also receives technical assurance from SWW's technical accountants and every customer relevant element of the business plan is routinely reviewed during WaterShare+ Panel meetings with senior executives of the parent company.

The WaterShare+ Panel will continue to host a public meeting, open to all Bristol Water customers and attended by senior executives and panel members. These sessions allow customers to hear directly from the company on progress and to raise issues that matter to them. Designed to be open and transparent, the meetings give customers a clear route to express concerns to both the WaterShare+ Panel and senior company leadership. Common themes include drinking water quality and taste, the installation and performance of smart meters, leakage, investment and maintenance to prevent bursts, accurate billing and support for vulnerable households. Senior company executives responsible for these areas attend to respond fully to customer questions and concerns. I am pleased to continue serving as the Regional Chair for the Bristol Water Region within the WaterShare+ Group Panel. Meetings are regularly attended and supported by the Chief Executive of Pennon Group and his senior executive team. I will be supported by the Bristol Regional Deputy Chair, David Smith, who brings more than 40 years of water sector experience.

I am delighted to represent Bristol Water customers and remain committed to providing clear, robust scrutiny and challenge on behalf of Bristol Water customers.

“The WaterShare+ panel will continue to host a public meeting, open to all Bristol Water customers and attended by senior executives and panel members.”





Reflections from the General Manager of Drinking Water Services



Richard Stanbrook
General Manager of Drinking Water
Services (Bristol & Bournemouth)



It has been a real honour to work closely with the members of the BWCP. Their unwavering commitment to customer scrutiny and service excellence is a powerful demonstration of the value the Challenge Panel brings.



Bristol Water supplies clean, clear and reliable drinking water to the city of Bristol and its surrounding areas.

Serving the largest city and metropolitan area in South West England is both a responsibility and a privilege and my team and I are proud to deliver this essential public service to such a diverse and socially progressive region. It has been a real honour to work closely with the members of the BWCP. Their unwavering commitment to customer scrutiny and service excellence is a powerful demonstration of the value the Challenge Panel brings. The constructive challenge provided by the Challenge Panel has helped to shape how we deliver for customers, encouraging us to place customer needs at the heart of our decision making and to question practices where improvements are needed. I would like to thank the Panel for being an invaluable critical friend since its inception.

I also wish to express my sincere gratitude to the outgoing Panel members for their dedication and contribution in making these initiatives such an outstanding success. The pioneering social contract, spearheaded by the Challenge Panel, set out clearly how Bristol Water would meet its social purpose and has helped to establish lasting community partnerships. This work is widely recognised as best practice across the Pennon Group and has now been embedded within the Group's Environmental, Social and Governance (ESG) framework. The strong relationships built through the BWCP will continue to underpin regional customer engagement in Bristol through the WaterShare+ Panel.

Looking ahead, the company remains fully committed to delivering our most ambitious £66 million programme of investment through to 2030. Key highlights of this programme include:

- **Cheddar Water Treatment Works** – enhanced filtration processes and the addition of ultraviolet (UV) treatment
- **Stowey and Littleton Water Treatment Works** – the introduction of eco friendly, membrane based treatment technologies. Notably, at Littleton, the company are piloting innovative filtration technology, successfully used in Singapore and Japan, for the first time in the UK.
- **Blagdon Lake Tower** – targeted works to improve lake water quality
- **Pucklechurch service reservoir upgrades**
- **Barrow improvements** – to the treatment process

To support this vital investment, customer bills will increase in the 2026/27 charging year. The company recognises the pressures this places on households and remains committed to fairness and affordability, whilst continuing to build on our pledge that 100% of customers who need help can access affordable bills. This includes supporting customers to enrol on affordability tariffs, switch to a water meter where appropriate, or receive free and impartial advice from our dedicated and experienced customer service teams. Our Priority Services Register will continue to play a crucial role in supporting our most vulnerable customers, not only with bills but also during supply interruptions and other times when additional support is needed.

Finally, I would like to reaffirm our gratitude to the independent Challenge Panel and its members for their vital work in amplifying the customer voice and hosting open public meetings. As the WaterShare+ Panel takes this work forward, the company remains fully committed to ensuring customers and senior executives continue to engage openly and constructively, driving improvements in our performance and championing the issues that matter most to the communities we serve.

Introduction

Bristol Water supplies around 280 million litres of drinking water every day to around 1.2 million people in the city of Bristol and surrounding areas. It is a water only company, which means that the company supplies drinking water to customers, but wastewater services are provided by a different supplier.



The Challenge Panel scrutinised the company's delivery and performance during the business period of 2025/26 against its 2025-2030 business plan commitments.

This included customer research as well as feedback on the company's Customer Care Strategy to 2030, feedback on the first Pollution Incident Reduction Plan and the company's Annual Billing approach. The Challenge Panel is disappointed and concerned by the decline in company performance since 2023/24, particularly as performance overall has fallen by 10 percentage points. The Challenge Panel was also disappointed by the apparent lack of the transfer of good practices between the regions covered by the brands in the Pennon Group. Please see our Company Performance in 2025/26 section for further analysis. This report recognises that the Challenge Panel formally concluded following its private meeting on 11 March 2027. This marked the end of the Challenge Panel as Bristol Water's licence has now been fully integrated into that of SWW's.

Regional challenge and oversight for Bristol Water customers will now be provided through the WaterShare+ Panel, which has replaced the BWCP as the Independent Challenge Group for Bristol Water. The WaterShare+ Panel will hold the company to account on behalf of Bristol Water customers through regular public meetings with senior executives in the Bristol region, supported by regular local updates ahead of private meetings and other ongoing engagement processes. These meetings give customers the opportunity to hear directly from the company, raise concerns and challenge decisions on issues that matter to them.

Through this approach, the WaterShare+ Panel will take on the role previously performed by the BWCP, ensuring continued independent challenge and customer representation. During the timeline of this report, the BWCP was provided with extensive access to senior executives, company and industry information and technical auditors to verify performance data.

Details of the actions and challenges raised by the BWCP during 2025/26 are set out in the Actions and Challenges section of this report.

Pennon Group has dedicated its largest ever investment programme of £3.2 billion during the PR24 business plan period of 2025-2030.

- Water quality and resilience
- Net zero and environmental gains
- Addressing affordability and delivering for customers

The Challenge Panel has carefully considered the company's key priorities for 2025–2030 through its involvement in the PR24 Business Plan. As part of this work, the Challenge Panel has received regular updates on the 'Cheddar 2' strategic reservoir project. The Panel has directly raised the company's approach to managing any potential impacts on vulnerable customers and working with local authorities – including the creation of an Action for the company to engage with the local authority concerned in its action log.

The Challenge Panel has also demonstrated its monitoring of water quality processes through a site visit to Littleton Water Treatment Works. During the visit, Challenge Panel members toured the site and were able to bring customer priorities directly to senior treatment staff and technicians. The Challenge Panel has closely reviewed the company's outperformance of leakage targets during the 2025/26 period. The Challenge Panel was also updated at its meeting on 12 March 2026, where the company confirmed it remained on track to further improve leakage performance during 2026/27.

This progress supports the company's longer term commitment to reduce leakage by 2050 to less than 10% across its own network and to less than 4% on customer properties.



The Challenge Panel has carefully reviewed the lessons learned from PR19, which ran from 2020-25. This work builds upon the company's position at the end of 2024/25, when 62% of its performance commitments were either being met or exceeded. Alongside this, the Challenge Panel has carried out detailed scrutiny of how Bristol Water plans to deliver its improvement plans under the current 2025-2030 business period and the 15 performance commitments against which the company is monitored. This ongoing review is designed to ensure progress is being made, commitments are delivered and the company remains accountable throughout the period.

Bristol Water has brought its approach to community activities into a more joined-up framework across the Pennon Group. This includes the Social Contract, which addressed education, environment, community engagement and strategic liaison and development. The Social Contract was concluded in July 2025 and has now been incorporated into Pennon's wider Environmental and Social Governance (ESG) Framework. The ESG Framework reflects the company's core values and commitment to communities. While governance is now managed at group

level, the Panel has been shown that the ESG Framework will continue to be delivered locally. This means Bristol Water can build on the legacy of the Social Contract that was previously scrutinised by the Challenge Panel, while also benefiting from shared expertise, resources and best practice from across the Pennon Group.

Customer engagement is a central part of the Challenge Panel's role. Further details on the customer engagement and research carried out during 2025/26 and the Challenge Panel's involvement in this work, can be found in the dedicated section of this report. The final section of the main report sets out the WaterShare+ Group Panel's priorities and challenges for 2026/27. This is followed by appendices containing additional information about the members of the Challenge Panel and a helpful glossary of key terms.

This report represents the final year of the Challenge Panel as, with the integration of the Bristol Water Licence into SWW, it has now been integrated into the WaterShare+ regional representation model. This report covers the work conducted by the Challenge panel in their final year.

The Challenge Panel and WaterShare+

The Bristol Water Challenge Panel independently challenged Bristol Water exclusively on behalf of the company's customers and oversaw from the customer's perspective the integration of Bristol Water into the Pennon Group.



The Challenge Panel is independent of Bristol Water and is part of the transparency customers expect of the water industry.

The Challenge Panel:

- Reviewed and challenged company performance to ensure that its business plan was as customer-focused as possible and aligned with regulatory standards.
- Oversaw the company's delivery of its Social Contract. Read the 2025 Social Contract Benefit & Transparency Report [here](#).
- Provided regional and subject matter expertise to critically evaluate the company's approach and change it on behalf of vulnerable customers when necessary.
- Maintained an Action Log to ensure that the company is held to account on behalf of customers.
- Liaised with local authorities and organisations to promote mutually beneficial partnerships with the company on behalf of customers.

The BWCP and WaterShare+ Panel members were independent from the company. Although Independent Challenge Groups are no longer required by the regulator Ofwat, it remains good practice for water companies to retain them. The role of the Challenge Panel in representing customers is particularly important because water companies operate as monopolies, meaning that household customers have no choice over their water supplier.

During 2025/26, the Challenge Panel comprised:

- Independent Chair – Peaches Golding OBE CStJ
- Independent Deputy Chair – Anthony Denham
- Representatives from regulators the Consumer Council for Water (CCW), Environment Agency and Natural England
- Councillors representing the city of Bristol and surrounding local authorities
- Individuals with expertise in areas such as health, debt, diversity and customer vulnerability

The panel is pleased to have had such a successful final year and, whilst disappointed that this panel does not continue, it is hopeful that WaterShare+ will champion its regional representation.

Please note that the views expressed in this report reflect the collective perspective of the Challenge Panel and do not represent the opinions of specific individuals or their organisations.

The WaterShare+ Group Panel

The Challenge Panel worked alongside the WaterShare+ Group Panel, which takes an overview scrutiny role for all Pennon Group water companies: SWW, BMTH, Bristol Water and SES Water. The WaterShare+ Group Panel is chaired by Lord Matthew Taylor with Peaches Golding OBE CStJ as Deputy Chair of the WaterShare+ Group Panel and Chair for the Bristol Region, alongside Anthony Denham as Deputy Chair of the Bristol Region in the WaterShare+ Group Panel. The remaining nine members of the WaterShare+ Group Panel represent Devon, Cornwall, Bournemouth and the SES Water region of Sutton and East Surrey. SES Water also has an Independent Challenge Group, the SES Customer and Environmental Scrutiny Panel (CESP) that will continue until 2030.

The WaterShare+ Group Panel reviews the performance of Pennon Group water companies against their approved business plans and regulatory obligations along with challenging the Group's future business plans to prioritise customer service and needs. Utilising the regional chairs to ensure constructive challenge in each of Pennon Group's regions.

The WaterShare+ panel is eager to integrate Bristol Water formally into its regional challenge mechanisms and is committed to maintaining the relationships with regional directors and senior leaders. The panel is keen to draw on the local knowledge, experience and relationships of its Bristol Regional Chair Peaches Golding OBE CStJ. Her previous role as Chair of the Bristol Water Challenge Panel provides valuable continuity and insight as the Panel responds to new developments in the 2026/27 business period, such as Ofwat's consumer involvement rule.

Anthony Denham's role as Deputy Chair has now been superseded with David Smith, now in post. Both Peaches Golding and David Smith will continue to engage directly with the regional South West Water teams to ensure that regional challenges and areas of best practice remain consistent and the relationships continue to create constructive challenge.

The WaterShare+ Panel has now implemented regional chair meetings with regional directors to ensure that panel members are aware of any regional specific performance issues and can bring this to the formal Pennon Group WaterShare+ meetings for deeper scrutiny.

The WaterShare+ Panel will continue the remarkable legacy of the BWCP's customer representation and championing and is now designated as the Independent Challenge Group for Bristol Water, South West Water, Bournemouth Water and the Isles of Scilly Water.

WaterShare+ Share Scheme

The WaterShare+ share scheme has so far given more than 80,000 customers the opportunity to become stakeholders in the company. Every water company can earn financial rewards for outperforming the targets set out in their five-year business plans and is required to share these benefits with customers.

SWW outperformed its targets in 2020 and 2022, with customers being offered a choice between receiving shares in Pennon Group plc or a credit on their bill as their share of the outperformance payments. Following Bristol Water's acquisition by the Pennon Group plc in 2021, Bristol Water customers were included in the WaterShare+ share scheme for the first time in the 2022 share issuance.

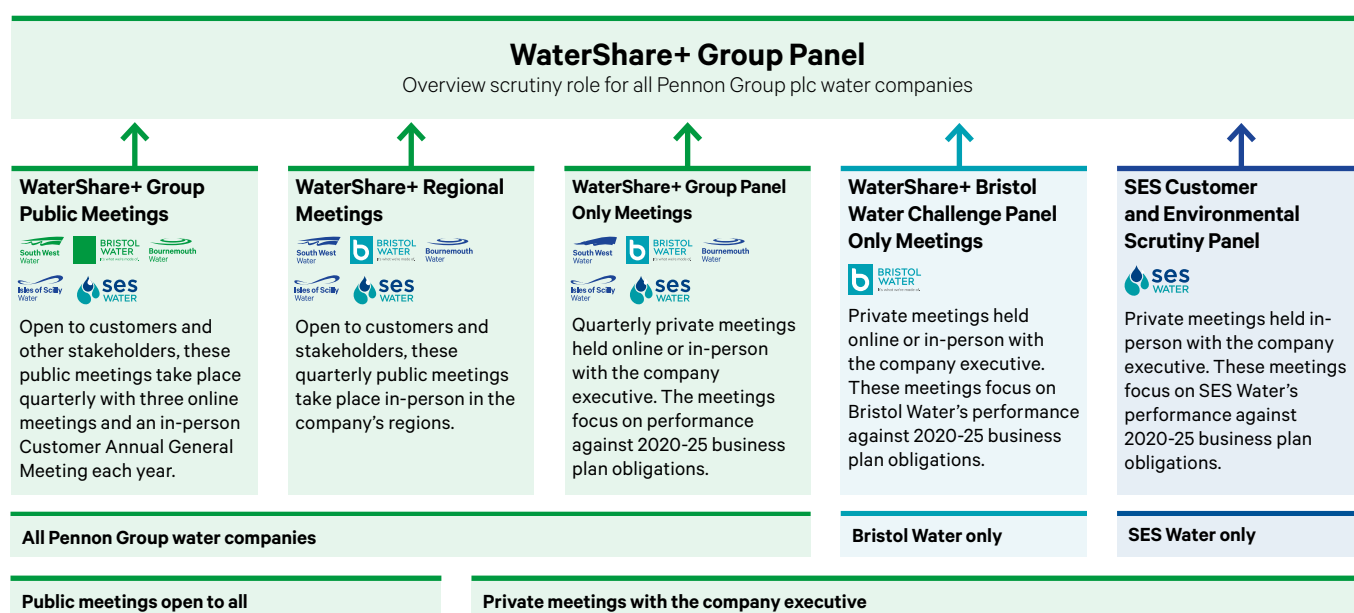
WaterShare+ shareholders receive dividends and have the right to attend and vote on key financial initiatives at the company's Annual General Meeting and the WaterShare+ Customer Annual General Meeting.

Pennon Group water companies are the only water companies in the UK to operate a specific share scheme for customers. As a result of WaterShare+, there are now approximately four times as many customer shareholders as institutional shareholders.

Assurance

The Challenge Panel places significant importance on Bristol Water providing customers with clear, high-quality information about service performance, billing, operational matters, research, benchmarking and customer engagement. Customer trust in the company depends heavily on the availability of robust, expert and transparent information.

The company's technical auditor, Jacobs, is responsible for auditing Bristol Water's performance data. Members of the Challenge Panel engage with Jacobs through the WaterShare+ Group Panel to verify and test this performance information. In Jacobs' expert opinion, the company's reporting against its regulatory commitments for 2025/26 is both reliable and accurate.



Bristol Water Challenge Panel Meetings

The Challenge Panel meetings held during 2025/26 are shown in the table below, along with the topics covered in each meeting.



The numbering for Challenge Panel meetings started at the beginning of the new review period in April 2025. The numbering of the Social Contract Sub-Group meetings started at the beginning of PR19 and has continued throughout the business planning period until the Social Contract ceased in July 2025.

All the 2025/26 meetings were held online. The table shows the large spread of topics the Challenge Panel members scrutinised and were involved with in 2025/26. Also shown is the number of actions raised during each meeting.

The main BWCP meetings include an 'in-camera' session for members only, without company representatives present, at the start and end of each meeting.

The Challenge Panel's review of Bristol Water's performance in 2025/26 is presented later in this report.

The SCSG work is now embedded into the Pennon Environmental, Social and Governance (ESG) Committee.

The Chair and Deputy Chair attended seminars and workshops organised by CCW and others on a diverse range of topics.

Meeting	Date	Main Areas for Discussion	Actions
Social Contract Sub-Group Meeting 18	4 April 2025	Outstanding actions	3
		Programme update	3
		Local Community Satisfaction Survey Update	0
		Environment, Social, Governance Integration	2
		Reflections on the Last 5 Years & End of Social Contract Report	1
Challenge Panel Main Meeting 1	13 May 2025	Chair's update	0
		Minutes, actions and challenge log	1
		Performance	1
		Biodiversity Index update	1
		Annual billing customer update	2
		Smart metering	1
		Lead programme update	0
		Customer research and engagement	2
		Vulnerability Action Plan	3
		Any Other Business	2
Social Contract Sub-Group Meeting 19	16 July 2025	Outstanding actions	1
		End of AMP programme review and end of social contract report	1
		ODI and sharing mechanism results	0
		ESG integration	3
		Final reflections	0

Bristol Water Challenge Panel Meetings continued

Challenge Panel Main Meeting 2	17 September 2025	Chair's update	0
		Minutes, actions and challenge log	2
		ODI AMP8 Bristol	3
		Complaints Analysis	0
		Vulnerability Action Plan	0
		Customer Research Update	4
		EA Regulation	5
		Cheddar 2 Reservoir	1
Challenge Panel Main Meeting 3	10 December 2025	Chair's update	1
		Minutes, actions and challenge log	2
		Ofwat Annual Performance Report	2
		Better Futures Fund	4
		Water resources update	1
		Customer communications	0
		Annual billing communications	1
		Complaints update	1
		Customer research and engagement update	1
		Post Meeting 'In Camera' Session	2
Challenge Panel Main Meeting 4	11 March 2026	Chair's update	1
		Minutes, actions and challenge log	0
		Ofwat Annual Performance Report and operational performance	1
		Water resources update	0
		Smart metering update	0
		Pollution Incident Reduction Plan	0
		Cheddar 2 update	0
		Vulnerability update	1
		BWCP reflections	2

The Chair and Deputy Chair also attend quarterly WS+ Private meetings with the Pennon executive as well as ad hoc workshops.

The WaterShare+ Panel also organises public meetings online which are attended by the Challenge Panel Chairs. These meetings provide a unique opportunity for customers to ask questions of senior company executives and to receive up-to-date information regarding company performance and specific local issues. The meetings are also designed for the panels and the company to hear about the issues that matter to local residents.

Customers are encouraged to submit questions in advance, all of which are answered by the company during or outside the meeting. Additional questions were raised during the public meeting and were answered fully either during the meeting or through separate, bespoke discussions where specific problems in individual households were resolved.

In addition to these online meetings, WaterShare+ Panel hosted a regional in person meeting in each of the company's regions each year. Company executives present on key areas of interest or concern to local customers and these meetings provide valuable customer feedback and help shape the Challenge Panel's on-going discussions with the company.

The Challenge Panel is grateful to Bristol Water staff and executives for organising, hosting and attending all the meetings listed above.

Case study – Hartcliffe and Hengrove Supply Interruption

On 23 January 2026, two significant water main bursts occurred in quick succession in the Hartcliffe area of Bristol, close to Hengrove Road. The bursts caused disruption to the local water network and required an immediate operational response.

By rapidly re-zoning the water network, Bristol Water was able to significantly reduce the scale of the supply interruption. This action limited the number of affected properties to approximately 2,000 households, rather than the 5,000 customers who would otherwise have lost supply. Critical services were prioritised during the response. A local community hospital was able to maintain its water supply throughout the incident and additional support was provided to a nearby day hospital to ensure it could continue operating without disruption.

Keeping Customers Informed

Customers were kept informed during the incident through multiple communication channels. Regular updates were shared using SMS text messages, social media platforms and through liaison with local media outlets, helping ensure information reached as many people as possible.

Supporting Vulnerable Customers

Protecting vulnerable customers was a key priority. All customers registered on the Priority Services Register in the affected area received bottled water deliveries. Bristol Water also worked closely with the local council to identify and support other highly vulnerable residents who may not have been on the register. To provide wider access to drinking water, a staffed bottled water station was set up at Hengrove Retail Park and remained in place for the duration of the incident. This ensured customers could easily collect supplies close to home.

Learning from Customer Feedback

At its private meeting on 11 March 2026, members of the Bristol Water Challenge Panel (BWCP) shared feedback from customers who had been affected. While customers recognised the operational response, the Panel raised concerns about the frequency and clarity of communication updates during the event.

These comments were shared directly with the company's Operations Director and were incorporated into the post incident review. Similar feedback had also been raised through CCW Accountability Sessions, prompting a broader review of incident management across the Group.

Improvements Made as a Result

In response to this feedback, Bristol Water reviewed and strengthened its approach to incident communications. Customers told us they want clearer expectations about when and how they will hear from us when something goes wrong.

As a result:

- The Unplanned Incident webpage has been updated to clearly explain the company's incident communication strategy, Ofwat requirements and relevant information from the Guaranteed Standards Scheme (GSS), so customers know when they may be entitled to compensation.
- SMS and voicemail messaging will now be used as standard for all incidents affecting specific postcodes, ensuring customers are contacted proactively.
- The company will increase the use of social media, including paid local advertising, to extend the reach of updates.
- Press releases will be used during larger or prolonged incidents to support wider public awareness.
- Bristol Water is also exploring enhanced communication tools, including future options such as push notifications.

Putting Customers First

This incident demonstrated the importance of rapid operational action, strong community coordination and clear communication. Customer feedback, supported by the Bristol Water Challenge Panel, has directly influenced improvements to how the company communicates during unplanned events — helping ensure customers are better informed, supported and reassured in the future.



Actions and Challenges

Throughout the year, the Challenge Panel scrutinised the delivery of performance commitments and customer-facing operational activities and incidents, logging all actions and requests for further information from Bristol Water.



When an action or challenge is cleared by Bristol Water, the Challenge Panel considers whether it has resulted in Bristol Water changing any of its processes or assumptions. If so, then the action is transferred to the challenge log.

Actions Raised

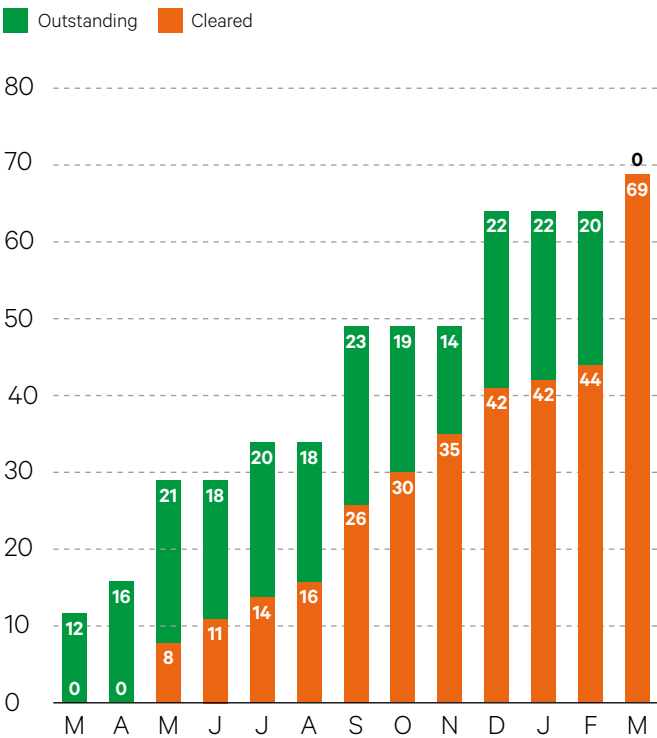
57 actions were raised during 2025/26, giving a total of 69 actions entered in the action log as 12 actions were carried forward from 2024/25. During 2025/26, 69 actions were cleared. The monthly growth of both actions raised and cleared is shown in the below chart.

Of the 57 actions raised during 2025/26, 11 were raised by the Social Contract Sub-Group and 46 were raised by the main BWCP. The additional 12 actions carried forward from 2024/25 were all raised by the main BWCP. The cumulative monthly growth is shown in the chart opposite.

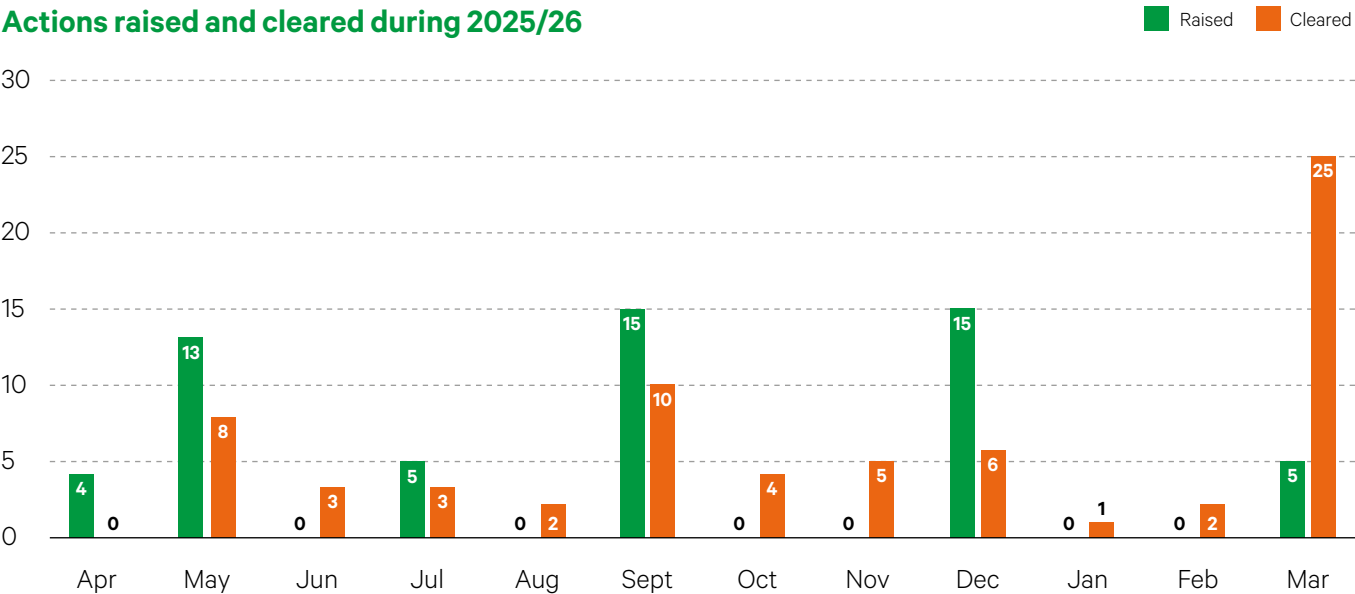
Challenges

No actions were transferred to the challenge log during the year. This lack of challenges in 2025/26 was expected as the WaterShare+ Group Panel took over challenge discussions, with the Challenge Panel focusing on Bristol Water's performance and delivery.

Cumulative Meeting Actions during 2025/25



Actions raised and cleared during 2025/26



Case Study – Video Calling Pilot

Bristol Water implemented an innovative video calling pilot to support the identification and triage of leaking company stop taps. The pilot enables field technicians to assess leaks remotely, without the need for an initial site visit and to determine whether further repair work is required.

The Challenge Panel first became aware of this innovative initiative following on from its publication in the Price Review 24 (PR24) Price Submission Document. The Challenge Panel then requested a case study to explore this in-depth due to the obvious benefits for customer service and company efficiency. This approach allows the company to allocate its resources more efficiently and accurately. Technicians can identify the severity and category of leaks through a more informed and interactive video assessment, helping Bristol Water to prioritise work appropriately and meet Service Level Agreement (SLA) deadlines.



The pilot received strong positive feedback from customers during its initial trial in September 2023 and has demonstrably improved satisfaction during the customer journey. As a result, the company has informed the Challenge Panel that this initiative will now move into a Business as Usual (BAU) process and will form a key element of the Customer Hub strategy for 2026/27. At the time, 11 customer services specialists were trained with the support of a network specialist but this will now be expanded across distribution teams to ensure more customer service agents are trained in its use. The company specifically intended to revisit this programme to create lasting, ongoing benefits and efficiencies.

Case Study – IPSOS System

The Panel has also taken a keen interest in the company's methods to increase water efficiency, such as the company's 'Ipsos' smart planning system that was discussed during the Panel's private meeting on 10th December 2025. Following this meeting the Panel asked for a clear explanation of how IPSOS works as an Action for our Action Log to show how the company is helping to conserve water for customers. The Panel then created an action from this meeting for a description of Ipsos to demonstrate how the company is focused on conserving water for its customers. In short, "IPSOS" ensures that enough water is treated and delivered every day by reviewing how much water is being used, how full reservoirs are and how treatment works are performing. It then automatically updates its system if any of these factors change.

This system helps water treatment works and pumps run smoothly and reliably, while still being able to respond when demand increases – for example during hot weather. When conditions allow, it also helps the company operate efficiently and keep costs down. However, during very dry periods the focus shifts to protecting water supplies rather than saving money. Because Bristol Water manages its area as one connected network, it can move water around more easily when demand is high or supplies are stretched.

If water use increases suddenly – such as during warm weather or because of a small leak – the system quietly adjusts in the background to keep water levels stable. Larger leaks or bursts still need engineers to attend on site to fix the problem and restore supplies. It has been explained to the Panel how the system fits the company's performance commitment to respond to climate change. This is because it makes the best use of rainfall when it happens, manages water pressure for customers and uses different water sources wisely to support supplies during dry weather.



Company Performance in 2025/26

April 2025 marked the start of the business planning period established by Ofwat, the water regulator, for all water companies and covering the five-year period from 2025/26 to 2029/30 (named Asset Management Period 8, commonly abbreviated to AMP8).



Throughout AMP8, Bristol Water, SWW and SES will be implementing the promises made in that business plan, regardless of weather conditions, unplanned pipe bursts and repairs or circumstances such as droughts and freeze/thaw events that might interfere with the supply of high-quality water to households and businesses.

The Challenge Panel scrutinises the company’s performance against Bristol Water’s targets, which are known as performance commitments. All of the performance commitments include a financial Outcome Delivery Incentive (ODI), which rewards strong results or applies penalties. Every water company is measured on the same number of delivery outcomes with common definitions, which either have common targets set on industry performance or bespoke targets based on company-specific performance.

Bristol Water requires the Challenge Panel to use its skills and experience to ensure that company communications are clear and understandable to customers. Hence, the Challenge Panel places great importance on the readability and understandability of the technical information provided and used in questionnaires, surveys and in-person or online research.

The Challenge Panel expects the company to maintain its strong information reporting and governance processes in order to consistently report accurate and reliable information to customers and other stakeholders.

This expectation is further audited annually by Bristol Water’s technical assurer. Bristol Water’s 15 performance commitments (PCs) and Outcome Delivery Incentives (ODIs) for AMP8 are set out in its PR24 Final Determination from Ofwat published in December 2024.

Eleven PCs and associated ODIs reflect performance in the financial reporting year, which is 1 April 2025 to 31 March 2026, as reported to Ofwat. Two metrics, Compliance with water quality standard and Customer contacts about water quality, are reported to the DWI on a calendar year basis. Also, two further metrics, Discharge Permit Compliance and Serious Pollution Incidents, are reported to the Environment Agency on a calendar year basis.

Ofwat’s strategy at PR24 was to reduce and simplify the metrics that were being reported on in the outcomes framework. This was intended to encourage water companies to focus on delivering long-term improvements and investing sustainably for the future. Ofwat tested this approach in April 2022, as part of PR24 customer research with findings showing that customers felt the proposed common performance commitments reflected the issues that mattered most to them. Although Ofwat has allowed some companies to introduce bespoke performance commitments in specific circumstances, Bristol Water does not have any bespoke measures and is assessed solely against the common performance commitments.

Bristol Performance	2025/25*
Total number of performance commitments on track or exceeded	5
Total number of target areas requiring improvement	10
Total	15
Total (%)	33%

*including measures of experience (C-MeX and D-MeX)

Common targets aid comparison across companies and make expectations clear across the sector. Ofwat and customers favour common target levels where possible. Customers should not expect varying levels of service across key performance commitments. However, there are instances where companies are at different stages of reaching the common target performance, in this case bespoke targets are set.

The Challenge Panel notes that SWW, BRL and SES have all failed to meet their targets for the same four performance commitments, namely Per Capita Consumption, Customer Contacts about Water Quality, Repairs to Burst Mains and Operational Greenhouse Gas Emissions. The Challenge Panel expects the company to make these four performance commitments a focus for improvement during AMP8.

One of the improvements expected from the two mergers over the past five years was the transfer of good practices from those regions that excel in a PC to those regions that are underachieving. Examples would be Leakage and C-MeX (customer measure of experience) from BRL to SWW and compliance risk index (water quality measurement) from SES to BRL. There has been some movement on this, but the Challenge Panel is disappointed that more has not been achieved.

Detailed company performance in 2025/26

This section identifies the key points and challenges arising from Bristol Water performance during 2025/26.

A more detailed review is available in the company's Annual Performance Report and Regulatory Reporting (APR) at www.bristolwater.co.uk/about-us/our-performance

The company's performance against its PC targets in 2025/26 is expected to result in around £0.717 million ODI outperformance payments (rewards) and around £6.652 million ODI underperformance payments (penalties) from those PCs that can be calculated by Bristol Water. In addition, Bristol Water anticipate they will receive ODI outperformance payments from the Ofwat industry-wide ranking process for C-MeX and D-MeX but a penalty for BR-MeX.

In the sections below, each of the 15 performance commitments is defined, has a brief view of the benefits of achieving the target status, the current Challenge Panel view of the performance and the estimated reward/penalty for 2025/26.

1. Water Supply Interruptions

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Time (hh:mm:ss)	00:06:49	00:05:00	00:33:42	00:05:00	00:05:00	00:05:00	00:05:00

Definition

The average number of minutes lost per customer for the whole customer base for water supply interruptions that lasted three hours or more, over the regulatory year. For Water Supply Interruptions, a lower number of minutes is 'good' performance.

Benefits

Reducing the number and duration of interruption events improves the reliability of supply and reduces the impact on customers of having no water supply.

Panel View

Significant mains bursts have occurred in the past few months with the ground affected by the dry summer, freeze/thaws in winter and then considerable amounts of rain. An extensive mains repair programme is now in place.

Supply interruptions have been affected by four major bursts that they were unable to rezone the water to keep all customers in supply. The company noted that BRL has had about 950 bursts this year, but that 946 of those have had no or negligible impact on customers. The noted that, even in the major bursts, they were able to rezone a percentage of properties and that the metric does not show this.

The BWCP highlighted that communications with customers and website updates could be improved and that regular updates would have been helpful. The company agreed that it needs to be more proactive in its communication with customers in situations of this sort.

Reward and/or Penalty

This Performance Commitment has a common definition and same target across the country with both under and over performance results. BRL has a penalty of £2.907m for this year.

2. Compliance risk index

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Index	2.82	0 (1.50)	3.95	0 (1.50)	0 (1.50)	0 (1.50)	0 (1.50)

Definition

A drinking water quality measure designed to illustrate the compliance failure risk arising from failures at water supply zones, supply points, treatment works and service reservoirs over the calendar year. For Compliance Risk Index (CRI), a lower CRI score is 'good' performance.

Benefits

This performance commitment incentivises the company to limit and resolve water quality failures effectively, which promotes customer confidence that water is clean and safe to drink.

Panel View

The Challenge Panel noted that CRI performance was impacted by two metals failures (iron and aluminium) in Water Supply Zones (0.7 and 0.9 CRI values). A CRI value of 1.2 was assigned in April for the Clostridium perfringens failure at Purton WTW.

The Challenge Panel is disappointed that these small value failures keep arising and expect that the new water quality programme will eliminate such failures.

Reward and/or Penalty

This Performance Commitment has a common definition and target across the country with only an under and performance penalty for results above the deadband, in brackets. BRL has a penalty of £0.576m for this year.

3. Customer contacts about water quality

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Number of contacts per 1,000 population	0.95	0.76	0.97	0.76	0.73	0.70	0.67

Definition

The number of times the company is contacted by consumers due to the taste and odour of drinking water or because the drinking water is not clear, reported per 1,000 population. For Water Quality Contacts, a lower number of contacts is 'good' performance.

Benefits

A reduction in the number of contacts relating to appearance, taste and odour of drinking water indicates an increase in the acceptability of water to customers and a reduction in disruption and other negative social impacts for customers.

Panel View

The Challenge Panel notes that although the company did not meet its target, it was better than the industry average of 1.11. The Challenge Panel expects the water quality programme to improve performance.

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the target is different from all other companies to suit BRL recent performance. It has both under and over performance results. BRL has a penalty of £0.156m for this year.

4. Biodiversity

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Total biodiversity units for area of land served per 100km ²	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Definition

This performance commitment measures the net change in the number of biodiversity units on nominated land per 100km² of land in the company's area. A biodiversity unit is a measurement of an area's value to wildlife. It is based on the size and quality of habitats and whether the habitat is sited in an area identified as being of strategic significance for nature.

4. Biodiversity (continued)

Benefits

The benefits of improved biodiversity are reduced extinction risk, increased resilience to climatic and water resource changes and enhancements in ecosystem service provision such as water quality, localised climate regulation, pollination, clean air and physical and mental health benefits.

Panel View

In 2025–26, performance reflects ongoing delivery of catchment management and nature-based solutions, with benefits expected to be realised progressively over the AMP period. As biodiversity improvements are cumulative in nature, in-year performance does not fully reflect the long-term benefits of schemes delivered. The Challenge Panel notes the continued good performance within the Biodiversity Performance Commitment and notes that the WaterShare+ panel will continue to monitor progress and expects the company to clearly demonstrate how investment and environmental interventions are translating into measurable biodiversity gains.

Reward and/or Penalty

This Performance Commitment has a common definition and same target across the country with both under and over performance results. BRL has no reward or penalty for this year, the company are on track to meet their target by the end of the AMP.

5. Operational GHG emissions

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Tonnes CO ₂ e	30,651	30,548	34,785	29,985	29,851	29,714	29,319

Definition

A measure of a company's greenhouse gas emissions (expressed in tonnes CO₂e, carbon dioxide equivalent), over the regulatory year. For Operational Greenhouse Gas (GHG) Emissions, a higher (positive) percentage reduction is 'good' performance. Also, a lower actual number of tonnes of CO₂ equivalent is a 'good' performance.

Benefits

In incentivising reductions in company operational greenhouse gas emissions, this performance commitment will also support attainment of UK government's 2050 and interim net zero targets.

Panel View

The Challenge Panel noted that Operational GHG emissions were affected by increased use of the Gloucester and Sharpness Canal and Purton WTW to protect the reservoirs during the dry summer of 2025. The company stated that emissions should reduce again now that Purton is back to its normal level. The company is changing its pumping and treatment strategy and using less in the way of gas generators.

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the target is different from all other companies to suit BRL recent performance. It has both under and over performance results. **BRL has a penalty of £0.797m for this year.**

6. Leakage

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
ML/d (three-year average)	38.5	35.0	36.3	32.6	31.1	30.5	29.9

Definition

Water is supplied to customers' homes through thousands of kilometres of underground pipes. This measures the volume of water that is lost from a company's distribution system, including service reservoir losses and trunk main leakage, plus customer supply pipe leakage, over the regulatory year.

Benefits The benefits of reduced leakage are to improve the long-term water resources supply-demand balance, reduce the need for water abstraction and increase water supply network resilience.

Panel View

Although Bristol Water remains on the industry's leakage frontier, this means the company is operating near the limit of efficient leakage reduction, where further improvements become increasingly difficult and costly, the Challenge Panel is disappointed that the company did not meet the three-year rolling target.

6. Leakage (continued)

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the target is different from all other companies to suit BRL recent performance. It has both under and over performance results. **BRL has incurred a penalty of £0.762m for this year.**

7. Per capita consumption

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
L/person/d (three-year average)	146.0	142.6	148.3	141.5	141.3	141.2	140.9

Definition

A measure of the measured household consumption and unmeasured household consumption, expressed in litres used per person per day, over the regulatory year. For Per Capita Consumption (PCC), a higher (positive) percentage reduction and a lower level of litres of water consumed is 'good' performance.

Benefits

The benefits of reduced PCC are improving the long-term water resources supply-demand balance and reducing the need for water abstraction.

Panel View

The Challenge Panel was disappointed with the company's continued non achievement of this target and keen to understand how the company will work with Ofwat's national campaign 'let's save water' to reduce consumption over the next year.

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the target is different from all other companies to suit BRL recent performance. It has both under and over performance results. **BRL has a penalty of £0.981m for this year.**

8. Business demand

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
ML/d (three-year average)	56.0	57.8	55.9	58.6	58.5	58.1	57.8

Definition

A measure of consumption at non-household ('business') premises; 'business customers' (also referred to as 'non-household customers') include businesses, charities and public sector organisations, over the regulatory year. For Business Demand, a higher (positive) percentage reduction and a lower actual numerical value is 'good' performance.

Benefits

The benefits of reduced business demand are to improve the long-term water resources supply-demand balance and reduce the need for water abstraction.

Panel View

The Challenge Panel was pleased to see the company maintaining the lower business demand result and looked forward to below target performance throughout AMP8.

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the target is different from all other companies to suit BRL recent performance. It has both under and over performance results. **BRL has been awarded a reward of £0.246m for this year.**

9. Serious pollution incidents

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Number	0	0 (1)	1	0 (1)	0 (1)	0 (1)	0 (1)

Definition

A measure of the total number of category 1 and 2 incidents from water supply assets in a calendar year caused by a discharge or a release from a water company water supply asset (including water distribution system, water treatment works and other water industry premises), over the calendar year. For Serious Pollution Incidents, a lower number is 'good' performance.

Benefits

Delivery of this performance commitment will improve the quality of the environment by reducing the number of serious pollution incidents that occur.

Panel View

The company highlighted a serious category 2 pollution incident at Cheddar WTW that followed a reported fish kill and is under investigation. The company has confirmed that an update will be provided to the Bristol regional chairs and wider WaterShare+ panel once the investigation has concluded.

Reward and/or Penalty

This Performance Commitment has a common definition and target across the country with only an under and performance penalty for results above the deadband, in brackets. BRL resulted in a neutral ODI position this year but only because of the deadband for this PC.

10. Discharge permit compliance

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
%	91.67	100 (96.67)	90.00	100 (96.67)	100 (96.67)	100 (96.67)	100 (96.67)

Definition

This metric applies to water treatment works (WTW) for the water supply service. It assesses compliance at WTW that have numeric discharge permit conditions – these set numeric quality limits for discharging and monitoring treated wastewater. All WTW permits with numeric discharge permit conditions are included except Environmental Permitting Regulations permitted emergency discharges from WTW, over the calendar year. For Discharge Permit Compliance, a higher percentage compliance is 'good' performance.

Benefits

Meeting discharge permits helps to protect the environment. It is a necessary part of improving the status of the water bodies into which the company discharges.

Panel View

The Challenge Panel notes that permit compliance performance has remained broadly stable during the year, but is still not meeting target. The company have had one compliance failure recorded at Banwell Water Treatment Works. While the company has explained the actions being taken to understand the cause and prevent recurrence, the Panel is disappointed that performance has not improved over recent years but encourages continued focus on operational controls and compliance to deliver sustained improvements for customers and the environment.

Reward and/or Penalty

This Performance Commitment has a common definition and target across the country with only an under and performance penalty for results above the deadband, in brackets. BRL has incurred a penalty in this year of £0.021m for this PC.

11. Repairs to burst mains

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Number per 1,000km of mains length	121.0	130.2 (140.2)	149.6	129.7 (139.7)	129.2 (139.2)	128.7 (138.7)	128.2 (138.2)

Definition

This metric is reported as the number of repairs to burst mains per thousand kilometres of the company's entire treated water main network (excluding communication and supply pipes). It includes both proactive and reactive repairs to burst mains from which water is lost, over the regulatory year. For Repairs to Burst Mains, a lower number of repairs is 'good' performance.

11. Repairs to burst mains (continued)

Benefits

This performance commitment helps to ensure that the overall asset health of the water mains network is maintained and improved for the benefit of current and future generations

Panel View

The Challenge Panel notes that the performance has deteriorated since AMP7. The company stated that significant mains bursts have occurred in the past few months with the ground affected by the dry summer, freeze/thaws in winter and then considerable amounts of rain. The Challenge Panel welcomed an extensive mains repair programme which is now in place to recover the position.

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the target is different from all other companies to suit BRL recent performance. It has both under and over performance results. **BRL has a penalty of £0.452m for this year.**

12. Unplanned outage

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
%	2.96	2.78	1.93	2.62	2.46	2.30	2.14

Definition

A measure of the unplanned loss of peak week production capacity, reported as a percentage of the overall company peak week production capacity, over the regulatory year. For Unplanned Outage, a lower percentage is 'good' performance.

Benefits

This performance commitment helps to ensure that the overall asset health of the above-ground water assets is maintained and improved for the benefit of current and future generations.

Panel View

The Challenge Panel welcomes a performance that does not incur a penalty but is disappointed that the performance has deteriorated.

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the target is different from all other companies to suit BRL recent performance. It has both under and over performance results. **BRL is likely to receive a reward of £0.471m for this year.**

13. C-MeX

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Number (rank)	5	UKCSI benchmark	5	UKCSI benchmark	UKCSI benchmark	UKCSI benchmark	UKCSI benchmark

Definition

The customer service score resulting from average scores on two sets of customer surveys:

- Customer service survey (CSS) – a satisfaction survey of a sample of residential customers who have recently contacted the company, relating to that recent contact. These contacts can be related to billing and general enquiries (33%) or an operational incident (33%); and
- Customer experience survey (CES) – a satisfaction survey of a random sample of residential customers relating to their overall experience of the company (33%)

Benefits

A higher level of customer service satisfaction indicates that customers are receiving a positive experience related to the level of service from their company.

Panel View

BRL has produced a consistently strong performance for C-MeX over the last reporting period. Some of the main areas that the Challenge Panel reviewed were customer interaction in terms of the digital customer journey, improving the customer experience, minimising and responding to complaints and steadfast support for vulnerable customers.

Company performance in 2025/26 continued

13. C-MeX (continued)

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the rewards and penalties are determined by the company's rank position within the 17 companies. BRL scored 70.04 which the company determines places BRL in rank 5th overall. BRL is likely to receive a reward for this year but is unknown at present.

14. D-MeX

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Number (rank)	9	(9)	8	(9)	(9)	(9)	(9)

Definition

The developer services customer experience resulting from a survey component and the Levels of Service metrics:

- Survey component – a satisfaction survey of a sample of developer services customers who have recently transacted with the company (33% small developers and 33% SLPs, NAVs and large developers).
- Levels of Service metrics – a percentage score based on the company's performance against a set of service metrics (33%).

Benefits

Increasing the levels of customer service satisfaction will improve the developers experience and indicates a positive experience related to the level of service from the company.

Panel View

The Challenge Panel welcomes the strong performance over the past year and looks forward to BRL consolidating its position during AMP8.

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the rewards and penalties being determine by the company's rank position within the 17 companies. BRL scored 83.17 which the company determines places BRL in rank 8th overall. BRL is likely to receive a small reward for this year but is unknown at present.

15. BR-MeX

	Base 2024/25	Target 2025/26	Actual 2025/26	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30
Number (rank)	-	(8)	12	(8)	(8)	(8)	(8)

Definition

The business customer service experience of their wholesaler, resulting from two sets of customer surveys and market performance metrics:

- Business (non-household) Customer Experience Survey (B-MeX) – a satisfaction survey of a random sample of business customers who have recently contacted their wholesaler (50%).
- Retailer Experience survey (R-MeX) - derived from a twice-yearly survey of Retailers (25%).
- Market Performance Framework Metrics (MPF)- based on industry measures of wholesaler performance, as determined under the industry's Market Performance Framework (25%).

Benefits

A higher level of customer service and/or retailer satisfaction indicates that business (non-household) customers and retailers are receiving a positive experience from their Wholesaler (company) and that the market may be functioning more effectively as a result.

Panel View

The Challenge Panel notes that there is considerable work to be done on BR-MeX, which it understands is a focus for the company.

Reward and/or Penalty

This Performance Commitment has a common definition across the country, but the rewards and penalties being determine by the company's rank position within the 15 companies. BRL scored 72.75 which the company determines places BRL in rank 12th overall. BRL is likely to receive a penalty for this year but is unknown at present.

Customer Engagement

Bristol Water undertook a series of research projects during 2025/26 to understand customer views, preferences and priorities. Some of these were continual (business as usual) and some were bespoke.



The table below summarises the engagement undertaken during 2025/26 by Bristol Water.

Timeline	Task	Topic	The Challenge Panel Input
Q1 2025-26	Joint South East companies' drought research	Drought	For information only
Q2 2025-26	UKCSI results – July 2025	Customer satisfaction	Read final reports
Q2 2025-26	Water Matters results – July 2025	Customer satisfaction	Read final reports
Q3 2025-26	Tariff Trials	Progressive charging	Update on progress
Q3 2025-26	Household customer tracking survey	Customer satisfaction	Update on progress
Q3 2025-26	Vulnerable Customer tracking survey	Vulnerable customer satisfaction	Update on progress
Q3 2025-26	CCW smart meter research	Customer Journey	Update on progress
Q3 2025-26	Annual billing communication research	Annual billing	Update on progress
Q4 2025-26	CCW WaterVoice Spring Accountability Session	Customer satisfaction	Attend, read report

Each survey was discussed and reviewed with the Challenge Panel including the surveys' aims, methods, documentation and timings. The results from the surveys were reviewed and challenged at the Challenge Panel's subsequent main meetings.

During 2025/26, the Challenge Panel also scrutinised the company's Progressive Charging Trials. These Ofwat-approved trials in the company's different regions, including Bristol, are designed to explore new ways of encouraging customers to reduce their water use. The company presented preliminary findings from the first six months of one of the trials to the Challenge Panel in January 2025. The company are currently conducting five focus groups with a sample of the 500 participants to get their views on how the tariffs are going, if they understand the pricing and what they think about the communications.

Working with the WaterShare+ Group Panel, the Challenge Panel will ensure that the company listens to customer feedback from the Bristol and other regional trials and that new tariffs are only introduced if they are fair for customers.

Research procurement for AMP 8

The Challenge Panel was pleased that the company had developed a procurement framework for customer research across the group for AMP8. The main aims of the research framework are to standardise the research across the group to allow better comparability and provide significant cost savings. A research framework is expected to make it easier and quicker to procure additional ad hoc work.

The Challenge Panel is disappointed that the decision was made to not procure specific lots for research with non-household customers and research with young people. The company believe that they understand the requirement of what the business needs with these two groups.

The company are about to appoint research agencies for two customer tracking surveys, Household customer survey and Vulnerable (PSR) customer survey. Both surveys will have a set of core questions that are aligned across the brands to enable tracking of trends and changes year-on-year, both on an individual brand basis and across the group. Some more flexible questions that can change depending on business need will also be included.

The Challenge Panel was pleased to note that Bristol Water tracking surveys will be changing from yearly to quarterly, thus giving more regular insight into customer views.

The Challenge Panel notes that the research team now sits under the Head of WFM, Reporting and Consumer Insight and now work across the group, covering customer research for Bristol, Bournemouth, SES and SWW. While research will sometimes only be for one or two brands, the company will share learnings from where it is applicable to the other brands (e.g., the South East companies' drought research)

Smart metering research

CCW are commissioning industry-wide research that was initially to be focussing on the customer journey and communications involved in smart metering. Companies across the industry are at different stages of their smart metering programmes, so the design of this research is still in very preliminary stages. CCW are reflecting on how to best approach this research, given varying stages of progress across companies. The Challenge Panel notes that the company has agreed in principle to take part and provide the required data when requested.

Blue Marble (research agency) ethnographic behaviour study focusses on customer behaviour and consumption. A yearlong study with customers who already have smart meters installed. Findings from all companies will be shared with companies involved.

AI in research

The company are currently exploring how it can use AI to analyse some of the millions of open text comments we get through our customer feedback mechanisms – in Bristol this is primarily through our CustomerSure platform.

The expectation is this will allow analysis of the full datasets rather than just sampling – and spot emerging findings and deal with issues when they affect less customers.

Consumer Council for Water WaterVoice Consumer Panels

The Challenge Panel was also closely involved in the Consumer Council for Water (CCW) WaterVoice Accountability Session that took place on the 11th March 2026. The CCW has partnered with Taylor McKenzie Research to run 16 panels with c. 50 customers on each panel and one panel for SWW, BMTH and Bristol Water customers.

These panels have been bought in to support delivery of Ofwat's new Consumer involvement in Decision Making rule, which requires water companies to actively involve consumers in decisions that materially affect them. The BWCP collaborated with the WaterShare+ panel to respond to the consultation by agreeing that effective consumer involvement rules are an essential part of restoring public trust in water companies.

Both Panels have been recognised as highly innovative by Ofwat and the CCW, providing a flexible approach to significantly challenge the company, participating in research initiatives and regularly meeting with customers to take on direct feedback.

Members of the Challenge Panel engaged with this process and contributed to responses to the consultation. The Challenge Panel have also taken a strong interest in the monthly research reports produced through this work, as they provide valuable insight into what matters most to customers and how their views are changing over time.

While the panels cover several water companies, which can make the feedback more complex, the Challenge Panel has worked closely with the wider WaterShare+ group panels to understand the issues raised and to explore the actions that follow from these accountability sessions. Peaches Golding attended the Accountability Session as an independent observer and heard customers' questions and concerns directly.

Looking ahead, the WaterShare+ panel, will continue to engage with CCW's customer panels. The WaterShare+ Bristol Water Chairs will make sure that the issues raised and actions identified through these discussions help inform and shape our ongoing challenge and scrutiny of Bristol Water's decisions.

Ensuring Customer Voices are Heard

Beyond the Challenge Panel's work with the company, it also advocates for customer interests with regulators and policymakers. During 2024/25, the Challenge Panel responded to CCW's strategy and draft forward work programme 2025/26 and Ofwat's consultation on remuneration and governance. The Challenge Panel also contributed to the WaterShare+ Group Panel's response to the Environment Agency's consultation on proposed revisions to its Environmental Performance Assessment (EPA) and the Independent Water Commission's call for evidence for the Cunliffe Review of the water sector.

The Chair and Deputy Chair of the Challenge Panel attend regular public meetings hosted by the WaterShare+ Group Panel. During 2024/25, the Chair of the Challenge Panel also attended a Your Water Your Say session; a vulnerability summit; a Let's Talk Water webinar; an Ofwat Roundtable Discussion on the Water (Special Measures) Bill and the Ofwat Turning the Tide conference.

Find out more about the company's consumer involvement in decision making plans [here](#).



Better Futures: Funding Support for Stronger Communities

The Challenge Panel welcomes the company's £564,000 Better Futures funding over five years for stakeholders in the Bristol Region and the positive impact it will bring to local people.



The panel are pleased to have been kept informed of the grantees and ongoing governance of the fund.

£111,627 has been awarded for 16 different grants in the Bristol Region, which will be passed on to 60,438 beneficiaries of various organisations and stakeholder groups.

Grantees include the Bristol Association for Neighbourhood Day Care that saves young lives through paediatric aid training courses and Unique Voice that tackles social and safety issues through a ten-week programme of care and kindness.

Friends of Clifton Downs, New Scout Community Centre, Make a Film in a Weekend and Bristol Young Heroes have reported that the funding from Bristol Water is integral to many projects.

The Challenge Panel encourages local organisations and groups to apply for funding online: [Better Futures Fund - Bristol Water | ActionFunder](#).

Vulnerability

The Bristol Water Challenge Panel has helped ensure that the most vulnerable communities in the Bristol area have a strong and independent voice. While WaterShare+ also focuses on supporting vulnerable customers, the Bristol region is unique within the Pennon Group due to its exceptional diversity, with 91 different languages spoken.

Understanding and responding to this diversity with the local knowledge of the BWCP Challenge Panel has therefore been especially important in the Bristol area and will be a key focus of the WaterShare+ Panel in 2026/27. The company will continue to ensure that customer surveys and feedback are as accessible as possible for customers with different language, religious and cultural expectations, preferences and needs.

Several initiatives that began in the Bristol region are now being rolled out across the wider Pennon Group. These include the Support Hub and Vulnerability Heroes programmes, which have proven effective in identifying and supporting customers who need extra help. In addition, partnerships with debt advice organisations were first established by Bristol Water and are now being expanded across all Pennon Group companies to provide consistent support for vulnerable customers.

One of the key areas of assistance for at-risk customers that the Challenge Panel has taken a particular interest in is on-the-ground engagement activities, including visits and partnerships with community centres, foodbanks, the Citizens Advice Bureau and Job Centres to support vulnerable customers. The Challenge Panel has also contributed its own perspective on effective ways to engage with customers who do not have reliable access to the internet.

Bristol Water has also retained its ISO 50001 energy management certification for longer than any other Pennon Group company, helping to support customers on the Priority Services Register through improved energy efficiency. The company successfully passed its third ISO 50001 audit in August 2025 demonstrating its continued commitment to supporting vulnerable customers responsibly.

The company has been trialling a National Support Hub. This is an online tool designed to help customers quickly find support from trusted organisations. It has been trialled across the South West over the past 12 months and was originally developed as a South West initiative in partnership with National Grid Electricity Distribution (NGED) and Wessex Water. The company are now expanding this into a Pennon branded portal that will be available across all Pennon companies. This will allow the company to better understand how the service is being used, improve data analysis and include a wider range of local support organisations in search results. The new portal is currently being developed and will be launching soon under the name Find Help Fast Pennon Group.

The Support Hub will be available for both customers and staff to use. It will be promoted through company websites, social media and direct customer contact, making it easier for people to access the right help at the right time. The Challenge Panel are pleased to have been kept up to date and offered the opportunity to comment on the range of vulnerability initiatives in the Bristol region, the WaterShare+ Bristol regional representatives will continue this legacy.



Priorities and Challenges for 2026/27

The BWCP is aware that customers will expect the company to progress to completion numerous projects aimed at improving BRL performance, as well as improving the transfer of good practices between the regions of the company.



The year has taken place once again against the backdrop of heightened scrutiny of the water sector, with declining customer trust and increased public, political and regulatory focus on environmental performance, resilience and affordability.

In this context, robust independent challenge is essential. Bristol Water is now entering its second year of the AMP8 period and delivering on the largest investment programme ever.

Changing customer needs and expectations highlight the importance of stronger oversight and adherence to higher regulatory standards across the water industry. The introduction of the consumer involvement in decision making rule under the Water (Special Measures) Act 2025 has strengthened how water companies must involve customers in decisions that have a material impact on them. This highlights the importance of engagement directly to customers and through independent challenge groups.

Bristol Water not only must deliver on their performance commitments to build trust in local communities but also ensure that the customer voice is represented at every level of the organisation.

Bristol Water is aligning its assurance and customer engagement activities across the wider Pennon Group. As part of this change, the WaterShare+ Panel has replaced the Bristol Water Challenge Panel (BWCP) and is now the Independent Challenge Group for Bristol Water, as well as for South West Water, Bournemouth and Isles of Scilly Water.

The experience and learning gained through the BWCP have helped shape the WaterShare+ Panel's strong focus on supporting vulnerable customers and recognising the importance of diversity. The Panel will continue to make sure that local voices are heard and that key stakeholders, including local authorities, community organisations and local communities, are represented to the same high standard as under the BWCP arrangements.

Ongoing work between Pennon's Corporate Affairs team and local authority representatives will remain in place, building on the strong stakeholder relationships developed through the BWCP and ensuring continuity of local engagement. WaterShare+ Panel will also ensure that BWCP's expertise in dealing with legislative changes is integrated into meetings and other Panel work in the future. The WaterShare+ Panel Action Log will also reflect the previous priorities of the BWCP Action Log.

WaterShare+

Bristol Water's performance

As an industry-leading water-only company, we are proud of our performance

We are a **leader on leakage**, with a 9.3% reduction since 2020

We are maintaining **0% of customers in water poverty** thanks to our wide range of social tariffs and support

Customer service remains a key strength of Bristol Water. We were ranked sixth for customer satisfaction for 2022-23, and we hope to improve this ranking this year.

Where our performance needs to improve, we **publish action plans online**



Available online!

Appendix 1

Meet the Panel

The effective members of the Challenge Panel during 2025/26 were:

Peaches Golding OBE CStJ
Bristol Water Challenge Panel Chair

Tony Denham
Bristol Water Challenge Panel
Deputy Chair

Catherine Jones
Consumer Council for Water

Laura Henley
Natural England

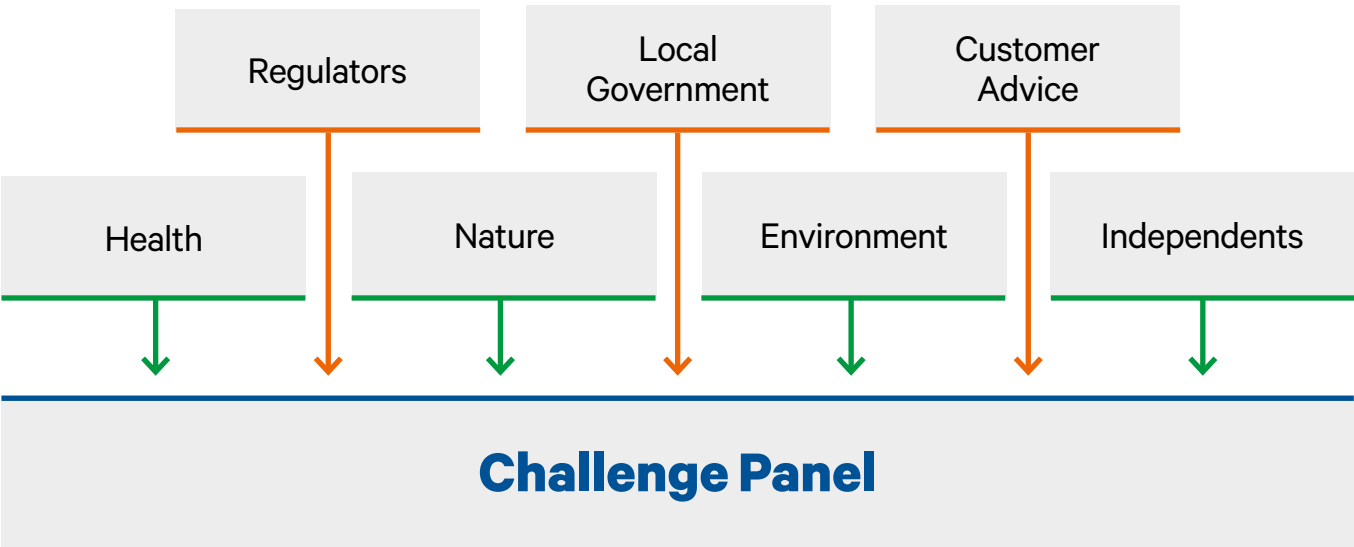
**Tamsin Sutton and
Frances Cribb alternately**
Environment Agency

Councillor Liz Leyshon
Somerset Council

Dr Tabinda Rashid-Fadel
NHS

Colin Williams
Independent

The independent Challenge Panel members come from a range of backgrounds and areas of expertise. These include:



Appendix 2

Glossary

Initials	Explanation
AMP	Asset Management Period – five-year period for which the Price Review sets the company's revenue and thus the customers' bills. AMP8 started in 2025.
AMP8	Asset Management Period which covers the five-year period from 1 April 2025 to 31 March 2030
APR	Annual Performance Report produced by the Company for regulatory reporting purposes, known previously as the Regulatory Accounts
BAU	Business as usual
Better Futures Fund	Company's £564,000 Better Futures funding over five years for stakeholders in the Bristol Region to bring positive impact to local people
B-MeX	Business (non-household) Customer Experience satisfaction survey of a random sample of business customers who have recently contacted their wholesaler
BR-MeX	The business customer service experience of their wholesaler, resulting from two sets of customer surveys and market performance metrics
BRL	Bristol Water
Challenge Panel	Bristol Water Challenge Panel – Bristol Water's ICG, usually called the Challenge Panel
CCW	The Consumer Council for Water – the independent voice for water consumers in England and Wales
CES	Customer experience satisfaction survey of a random sample of residential customers relating to their overall experience of the company
Cheddar 2	Name of the project supporting the company's aim to provide more reliable and safe water supplies by increasing the amount of water that can be treated and delivered when needed. In addition to improving water quality by upgrading filtration systems and installing UV treatment at Cheddar Water Treatment Works
CMA	Competition and Markets Authority – the organisation the company appeals to if they cannot accept the Ofwat FD
C-MeX	C-MeX is the industry wide measure of customer satisfaction based upon surveys both of customers who have recently contacted their water company and a random sample of members of the public.
COG	CCW's Challenge Co-ordination Group – a group consisting of the Chairs of all the water companies ICGs
CRI	Compliance Risk Index (CRI) is a measure designed to illustrate the risk arising from treated water compliance failures and it aligns with the current risk-based approach to regulation of water supplies used by the Drinking Water Inspectorate (DWI)
CSS	Customer service satisfaction survey of a sample of residential customers who have recently contacted the company. These contacts can be related to billing and general enquiries or an operational incident.
Defra	The Department for Environment, Food and Rural Affairs
D-MeX	D-MeX measures the quality of services to developers and other third parties. It has two components. The qualitative component is based on interviews with developer services customers that have transacted with a water company in the previous month. The quantitative component is based on the water company's performance against a key set of Water UK metrics, which measure the service provided by water companies to their developer services customers
DWI	Drinking Water Inspectorate – formed to provide independent reassurance that public water supplies are safe and drinking water quality is acceptable to consumers
EA	Environment Agency – a public body that works to protect and improve the environment and support sustainable development in England

Appendix 2

Glossary

EPA	The Environmental Performance Assessment is the Environment Agency's methodology to assess the environmental performance of water and sewerage companies.
ESG	Environmental, Social and Governance. The Pennon ESG Committee evaluates the sustainability of the company
FD	Final Determination of Prices – provided by Ofwat and sets the company's revenues and thus the customers' bills for the next AMP
GHG	A measure of a company's greenhouse gas emissions (expressed in tonnes CO ₂ e, carbon dioxide equivalent), over the regulatory year
GSS	The Guaranteed Standards Scheme is the Ofwat methodology to provide relevant information to customers so they know when they may be entitled to compensation
ICG	Independent Challenge Group – independent groups such as the Bristol Water Challenge Panel, that challenge water companies on behalf of customers
IPSOS	A smart planning system that ensures enough water is treated and delivered every day by reviewing how much water is being used, how full reservoirs are and how treatment works are performing. It then automatically updates its system if any of these factors change.
ISO 50001	ISO 50001, developed by the International Organization for Standardization, is designed to help organizations of all sizes and sectors use energy more efficiently, reduce costs and minimize environmental impact
MPF	A Market Performance Framework Metric based on industry measures of water wholesaler performance, as determined under the water industry's Market Performance Framework
NGED	National Grid Electricity Distribution
ODI	Outcome Delivery Incentives
Ofwat	The Water Services Regulation Authority, the economic regulator of the water and wastewater industry in England and Wales
PC	Performance Commitment
PCC	Per Capita Consumption, a measure of the measured household consumption and unmeasured household consumption, expressed in litres used per person per day, over the regulatory year
PFAS	A group of man made chemicals that have been used in everyday products since the 1940s. They are sometimes called "forever chemicals" because they break down very slowly in the environment and can build up over time
PR	These five-year periods determine how much companies can charge customers and what improvements companies must deliver within each five-year Asset Management Period
PR19	Price Review 2019 covers the five-year AMP8 period from 1 April 2020 to 31 March 2025
PR24	Price Review 2024 covers the five-year AMP8 period from 1 April 2025 to 31 March 2030
R-MeX	Retailer Experience survey derived from a twice-yearly survey of Retailers.
SES	Sutton and East Surrey Water
SLA	Service Level Agreement
UKCSI	UK Customer Satisfaction Index
UV	Ultraviolet treatment of water
WFM	Workforce Management
WTW	Water Treatment Works

