

# Bristol Water Challenge Panel

Annual Report 2024/25



**CHALLENGE  
PANEL**



### About this Report

This Annual Report outlines the activities and achievements of the Bristol Water Challenge Panel during the 2024/25 financial year and sets out its priorities for 2025/26. Unless otherwise stated, data presented in this report relates to the 2024/25 period.

The Bristol Water Challenge Panel (the Challenge Panel) serves as the Independent Challenge Group (ICG) for Bristol Water, providing scrutiny and holding the company accountable on behalf of its customers. The Challenge Panel works alongside the WaterShare+ Group Panel, which is the ICG for South West Water and has a broader oversight role across all Pennon Group water companies. 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 2019 (PR19) covers the five-year AMP7 period from 1 April 2020 to 31 March 2025. The period covered by this report is the final year of the PR19 period. Companies submitted Price Review 2024 (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. The PR24 period is known as AMP8 and will cover the period from 1 April 2025 to 31 March 2030.

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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

It is my pleasure to welcome you to the Annual Report 2024-25 for Bristol Water, a brand of South West Water, the supplier of your drinking water.

Clean, clear, tasteless water from your tap is the guarantee provided to every household and business in the area. Not only does your drinking water achieve some of the highest standards of purity in Europe, but Bristol Water is also subject to quality standards on customer service, the repair of leaks in the system, treatment of vulnerable customers, response to complaints and far more. How efficiently the company carries out these indicators affects customer bills.

The Bristol Water Challenge Panel is an independent body, set up by the company, to enable it to hear customer concerns, review customer research and scrutinise its performance. Bristol Water is not required to do so, but finds great value in having a customer focused body that ensures the South West Water Board hears from its customers and enables its regulators to evaluate how well 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, Natural England and the Drinking Water Inspectorate. The Consumer Council for Water (CCW) is the independent voice for water consumers in England and Wales; it champions the interests of consumers with companies, governments and regulators and provides support to people in resolving their complaint.

The purpose of this Annual Report of the Bristol Water Challenge Panel is to inform customers, South West Water shareholder customers, regulators and interested parties of the performance of Bristol Water during the last year of the five-year business plan. Throughout the current business plan period, the Challenge Panel has closely monitored and scrutinised the performance of Bristol Water on all the promises it made to customers through its regulated business plan for the period of 2020-25. Given the cost-of-living crisis, how Bristol Water supports vulnerable customers as well as those with affordability problems is of the utmost importance. The company provides the Challenge Panel with UK Customer Satisfaction Index (UKCSI) and other customer-related research and reports, so that it can assess the strategic and tactical aspects of the company's service to bill payers and households. The Challenge Panel also receives technical assurance from the technical accountants for South West Water.

Each line of the business plan that affects customers is routinely scrutinised by the Challenge Panel in its meetings with the senior executives of the parent company South West Water. Additionally, once a year the Challenge Panel facilitates a public meeting, open to anyone that wishes to attend, so that participants can hear from the company how their plans are developing and can ask questions that are of interest to them. Such a meeting demonstrates the transparency and openness with which the company operates.

The public meetings facilitated by the Challenge Panel enable customers to raise their key concerns with senior company executives. The principal concerns centre around the quality and taste of their drinking water, the installation and functionality of smart meters, the amount of water that leaks from pipes in the Bristol Water distribution network as well as on customers' properties, burst pipes and planned maintenance of the network, the affordability of rising cost of water

## Welcome from the Chair continued

bills and what the company can do to protect vulnerable customers. The senior executives responsible for the water distribution network, the impact of water usage on the environment, customer service and corporate leadership are on hand to respond fully and directly to these customer concerns. This report has greater detail on each of the above, together with other indicators of good water quality and customer service.

The work of the Challenge Panel is received and considered by the WaterShare+ Group Panel of South West Water. This body is comprised of panel members from each of the brands within South West Water, including the water only brands of Bristol Water, Bournemouth Water, Sutton and East Surrey Water together with water and wastewater brands Isles of Scilly and South West Water. I am pleased to act as Chair of the Bristol Water Challenge Panel and Deputy Chair of WaterShare+ Group Panel. WaterShare+ meetings are attended and supported by the Chief Executive of South West Water and her senior executive team.

I am supported on the Challenge Panel by a number of independent members with skills, experience and know how to direct and perform the work of the Panel. I am particularly grateful to my Deputy, Anthony Denham, who also joins me on the WaterShare+ Group Panel. Other members are listed in Appendix 1.

“ The public meetings facilitated by the Challenge Panel enable customers to raise their key concerns with senior company executives. ”







# Chief Executive’s Reflections



Susan Davy  
Chief Executive Officer

Bristol is the largest city in the South West and my team and I are very proud to provide safe, reliable, high quality water to the city and surrounding areas. We provide an essential public service, and we take our responsibilities in this area extremely seriously.

In 2019, Bristol Water was the first water company to develop a Social Contract. This set out how the company would meet its social purpose, which is to have a positive impact on the lives of our customers, our communities, our colleagues and on the environment beyond the delivery of pure and reliable water.

We are incredibly proud of the impact we have had since the Social Contract began. The formal mechanism of the Social Contract came to an end in March 2025. However, the relationships we have built and the community programme that formed the basis of the Social Contract will continue as part of the Pennon Group, Environmental, Social and Governance (ESG) framework.

In the past year, we have worked diligently to support the affordability of bills with customers. We are making a record investment of £3.2 billion across Pennon Group companies in 2025-30 and have had to make a tough decision and put the bills up for customers in the coming year in 2025/26.

Water bills for customers in Bristol are set to rise by 5%. We know customers are worried about the necessary bill increases to support investments. The majority of the funding will come from shareholders and debt providers, meaning that customers will pay around a third. At the same time, we will support those who need it most with a £200 million support package across all of our regions, building on our 100% affordable bill pledge. We have continued to support our vulnerable customers through our priority services register to ensure they have our support when they need it.

We are extremely grateful to the independent Bristol Water Challenge Panel and its members for their vital role in directly representing customers, challenging us on performance and championing customer concerns.

“Our social purpose is to have a positive impact on the lives of our customers, our communities, our colleagues and on the environment beyond the delivery of pure and reliable water.”





# 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.



**During 2024/25, the Challenge Panel scrutinised the company's delivery of and performance against its 2020-25 business plan commitments. This included customer research that was planned or undertaken during the year as well as the implementation of the company's Social Contract. The Challenge Panel also provided feedback on the company's Customer Care Strategy to 2030.**

The Challenge Panel is pleased to report that the company continued to engage openly, constructively and proactively with the Challenge Panel during the past year. This enabled the Challenge Panel to perform its duties and to hold the company to account on behalf of customers.

The company has provided the Challenge Panel with a high level of access to company executives, company and industry information and access to technical auditors to verify performance data. Details of the actions and challenges raised by the Challenge Panel in 2024/25 can be found in the Actions and Challenges section.

During the business plan period of 2020-25 (known as PR19), Bristol Water made 29 performance commitments in the areas of:

- Clean, safe and reliable water
- Available, sufficient and resilient water resources
- Fair charging
- Community benefit
- Customer service including support for vulnerable customers
- Protecting the environment.

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. Please see our Company Performance in 2024/25 section for further analysis.

Over the next five years, Pennon Group plans to deliver its largest ever investment programme. The Challenge Panel will closely examine lessons learned from the 2020-25 business plan and rigorously scrutinise the company's delivery of Bristol Water improvement plans to ensure accountability and progress throughout 2025-30.

This report provides details of the company's delivery of its Social Contract, which came to an end in March 2025. After this date, delivery of Social Contract programmes and initiatives became part of the Pennon Environmental, Social and Governance (ESG) framework. The Panel will continue to scrutinise performance in this area and challenge the company to continue the crucial work of the Social Contract.

Customer engagement is a key part of the Challenge Panel's work. Please see our section on this area for details of customer engagement and research undertaken in 2024/25 and the Challenge Panel's role in this area.

The final section of the main report highlights the Challenge Panel's future priorities and challenges for 2025/26. This is followed by appendices that provide further details on the members of the Challenge Panel and a glossary of useful terms.





# The Challenge Panel and WaterShare+

The Bristol Water Challenge Panel is recognised by regulator Ofwat as the Independent Challenge Group for Bristol Water.



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

The Challenge Panel:

- Scrutinises and challenges company performance against business plan and regulatory commitments
- Analyses the company's delivery of its Social Contract
- Closely examines and provides feedback on and input into the company's customer research activities and initiatives
- Holds the company to account on behalf of customers
- Ensures customer voices are heard and represented in the company's decision-making processes

The Challenge Panel and its members are independent from the company. Although no longer required by regulator Ofwat, it is good practice for water companies to have Independent Challenge Groups. The work of the Challenge Panel in representing customers is particularly important because water companies are monopolies, which means that household customers cannot choose their water supplier.

During 2024/25, the Challenge Panel was composed of:

- 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 areas
- Individuals with expertise in areas such as health, debt, other vulnerabilities and accountability.

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 works alongside the WaterShare+ Group Panel, which takes an overview scrutiny role for all Pennon Group water companies: South West Water, Bournemouth Water, Bristol Water and, since 2025, SES Water. It also operates as the Independent Challenge Group for South West Water including Bournemouth Water and Isles of Scilly Water.

The WaterShare+ Group Panel is chaired by Lord Matthew Taylor with Peaches Golding OBE CStJ as Deputy Chair of the WaterShare+ Group Panel as well as Chair of the Bristol Water Challenge Panel. Anthony Denham, Deputy Chair of the Bristol Water Challenge Panel, is also a member of the WaterShare+ Group Panel. The remaining eight 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.

The WaterShare+ Group Panel scrutinises Pennon Group water companies' performance against their business plans and regulatory obligations as well as ensuring that the Group's future business plans reflect customer needs and priorities. All members of the WaterShare+ Group Panel are also members of the WaterShare+ PR24 Sub Group, which has focused on the Group's plans for the PR24 price review period of 2025-30. Future plans for Bristol Water are scrutinised by the WaterShare+ Group Panel and PR24 Sub Group.

**WaterShare+ Share Scheme**

The WaterShare+ Group Panel oversees the operation of the company's WaterShare+ share scheme, which gives customers a financial stake in the business. Water companies earn financial rewards if they outperform against targets in their five-year business plan and they are required to share these financial benefits with customers.

**The Challenge Panel and WaterShare+ continued**

In 2020 and 2022, the company outperformed and gave customers the option of choosing shares in Pennon Group plc or credit on their bill, as their share of outperformance payments. Having been acquired by Pennon Group plc in 2021, Bristol Water customers were included in the WaterShare+ share scheme for the first time in 2022.

Pennon Group water companies are the only UK water companies to have a specific share scheme for customers. One in 14 of Pennon Group water customers are shareholders thanks to the WaterShare+ share scheme. The company aims to increase the percentage of customers with shares in the next five years. WaterShare+ shareholders receive dividends and have the right to attend the company's Annual General Meeting as well as the WaterShare+ Customer Annual General Meeting, which is open to all.

**Better Futures: Funding Support for Stronger Communities**

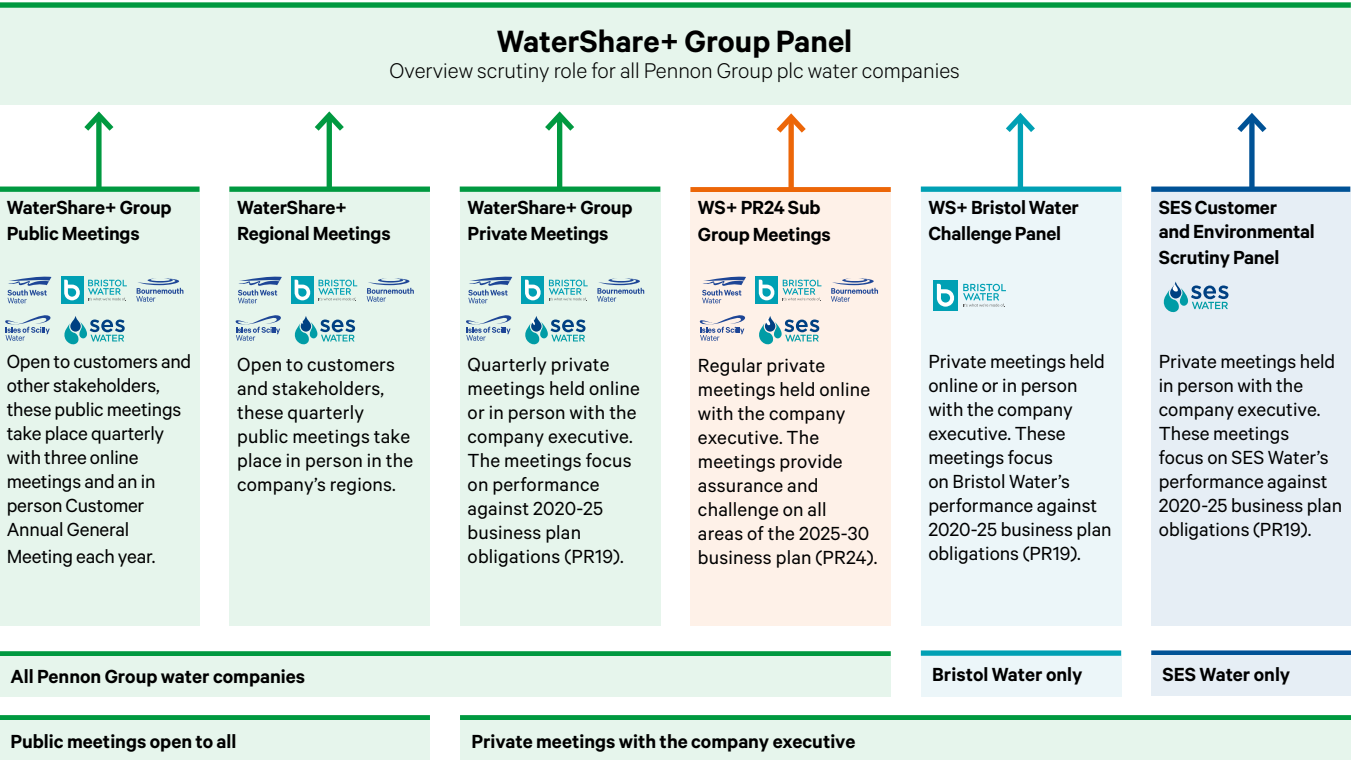
The Challenge Panel welcomes the company's £5 million Better Futures fund and the positive impact it will bring to local people. Created to support water customers across Devon, Cornwall, Bristol, Bournemouth, the Isles of Scilly, and Sutton and East Surrey, the fund provides direct financial assistance to households in need and supports community groups focused on physical activity, education, health and wellbeing, and environmental improvement.

The fund will provide £564,000 for Bristol Water customers over five years, in addition to the company's £200m group-wide programme to help customers who are vulnerable or struggling financially. The Challenge Panel encourages local organisations and groups to apply for funding.

**Assurance**

The Challenge Panel places great importance on the need for Bristol Water to provide its customers with clear, high quality information on its service performance, billing matters, operational issues and customer engagement. Customers' trust in the company is heavily dependent upon sound, expert information.

The company's technical auditor, Jacobs, has responsibility for auditing Bristol Water's performance data. Challenge Panel members meet with Jacobs through the WaterShare+ Group Panel to verify performance. In the expert opinion of Jacobs, the company's reporting on performance against regulatory commitments in 2024/25 is both reliable and accurate.



# Bristol Water Challenge Panel Meetings

The Challenge Panel main meetings and Sub Group meetings held during 2024/25 are shown in the table below, along with the topics covered in each meeting. The numbering for each type of meeting started at the beginning of PR19 and has continued throughout the business planning period.



**All the 2024/25 meetings were held online unless otherwise stated. The table shows the large spread of topics the Challenge Panel members have scrutinised and have been involved with in 2024/25. 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 2024/25 is presented later in this report.

As examples of topics covered, the Challenge Panel welcomed the company’s plans for trials of the progressive charges to be implemented in the winter of 2024/25. It applied challenge to this, scrutinising it closely at this early stage of development. The Panel also welcomed plans to invest in two Water Treatment Plants, work that is now ongoing and would not have been possible without the merger with Pennon Group Plc.

The SCSG is due to cease in mid-2025 with all the continuing work being coordinated by the Pennon Environmental, Social and Governance (ESG) Committee.

Meeting	Date	Main Areas for Discussion	Actions
Social Contract Sub-Group (SCSG) Meeting 15	26 April 2024	Action review	4
		Forward programme for 2024/25	0
		Social Contract beyond AMP7	4
Challenge Panel Main Meeting 17	3 May 2024	Chair update	0
		Minutes, actions, and challenge log	3
		C-MeX	1
		Vulnerability Action Plan	1
		Customer research and engagement update	6
Challenge Panel Main Meeting 18	24 July 2024	Visit to Stowey Water Treatment Works	2
		Chair update	1
		Minutes, actions, and challenge log	1
		The Challenge Panel Annual Report	0
		PR24 Timeline	3
		Jacob’s report on assurance	1
		Customer research and engagement update	5
		WaterShare+ meeting in Bristol	1
		Vulnerability Action Plan	0
		AOB	1

## Bristol Water Challenge Panel Meetings continued

SCSG Meeting 16	9 October 2024	Action review	3
		Social Contract programme review	14
		Conservation programme deep dive	9
		Forward Look	1
Challenge Panel Main Meeting 19	6 November 2024	Chair update	0
		Minutes, actions, and challenge log	2
		Performance	4
		Customer research and engagement update	5
		Vulnerability Action Plan	5
		Progressive charges	2
		Ofwat consultation	1
Challenge Panel Main Meeting 20	22 January 2025	PR24 Final Determinations	0
		2025/26 Charges	3
		Chair update	0
		Minutes, actions and challenge log	0
		Performance	1
		Lead pipe removal programme	0
		Customer research and engagement update	4
		Vulnerability Action Plan	1
		AOB	1
SCSG Meeting 17	28 January 2025	Actions	1
		Programme update	5
		Deep Dive – Recreation: Lakeside Leisure	1
		Pennon – Environment, Social and Governance	2
		Local Community Satisfaction Survey	0
		Forward look	1

The Chair and Deputy Chair attended seminars and workshops organised by CCW and others on diverse topics to do with PR24. These are now named Challenge Co-Ordinations Group meetings (COG). In addition to the meetings above, the Chair and Deputy Chair of the Challenge Panel are members of the WaterShare+ Group Panel and, as such, attend quarterly online public meetings open to customers and stakeholders across the company’s regions.

These meetings provide a unique opportunity for customers to ask questions of senior company executives including Chief Executive Susan Davy, 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 were 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+ hosts a regional in person meeting in each of the company’s regions each year (see case study below for details of the most recent Bristol regional WaterShare+ meeting). 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 – WaterShare+ Public Meeting in Bristol

Customers were invited to a widely publicised WaterShare+ regional public meeting facilitated by the Challenge Panel and held at BAWA, Bristol in May 2025.

Prior to the public meeting, customers submitted their questions to the company. Customer priorities and concerns rarely fit neatly into the performance measurements required by the regulators on water.

The issues that arose were:

- Quality and safety of drinking water
- Leakage
- Water meters
- Environmental performance
- Customer bills and investment into the region.

In addition to the information above, customers were reassured regarding their concerns during the meeting. Examples include:

#### Drinking water quality

Customers questioned the efficacy of water treatment for the removal of microplastics, micropollutants and forever chemicals. The Drinking Water Director for Bristol and Bournemouth reassured the audience that the majority of micro pollutants are currently removed from drinking water and we have a close monitoring and management method for forever chemicals. Customers were also informed that South West Water invests in improvements in drinking water quality. For example, South West Water has a 25-year partnership with the University of Exeter for a dedicated Microplastics Laboratory to carry out innovative research and analysis.

Regarding taste, customers were informed that there is a legal requirement to disinfect water. To do so, a small amount of chlorine is added to ensure tap water is free of bacteria. On leaving the treatment works, the chlorine dissipates and by the time it reaches households there is normally a concentration of 0.5 to 1.0 mg/litre (compared to a swimming pool which is between 1.5 to 5.0 mg/l).

The taste of tap water in the Bristol Water region is also affected by the minerals such as calcium and magnesium dissolved in the raw water. While they are harmless to human health, it makes the water moderately hard to very hard. Neither the disinfection nor the dissolved minerals result in Drinking Water Inspectorate failures.

#### Leakage

Customers wanted to know why visible leaks may remain active for days after being first noticed and reported to the company. The Drinking Water Director explained how leaks are monitored in the company's operations room and sophisticated detection monitoring system of acoustic loggers. For example, there are times when a large leak has been detected and prioritised over a smaller one. In such cases, it may appear to customers as if the smaller leak is not being addressed. It was also reported that some 20 to 25% of leaks are found on customer properties. South West Water has invested in the use of drones, satellites and even detection dogs to identify leaks on the network.

#### Metering

Some customers were keen to have a water meter installed. In general, in households with fewer occupants than the number of bedrooms, metered water usage may result in a reduced water bill. However, there are reasons why some properties may be unable to have a meter fitted. For example, for those living in houses with shared supply pipes it may not be possible to separate the water used between units.

Other customers wondered why they never saw their meter being read or were concerned about the accuracy of meter readings. The use of telemetry on some meters enables them to be read from a vehicle nearby. Customers were advised that major concerns regarding accuracy of the meter can be addressed through the customer service team at Bristol Water.

Customers can visit [bristolwater.co.uk/water-meters/request-a-meter](https://bristolwater.co.uk/water-meters/request-a-meter) for more information.

#### Environmental Performance

The biodiversity index reports on the abundance of wildlife and habitats on land owned by the company. The biodiversity index, an innovation pioneered by Bristol Water, has been adopted by the water regulator Ofwat as a performance indicator to be adopted on, and reported by, all water companies.

As a drinking water only company, Bristol Water's environmental commitments include meeting the requirements of the Water Industry National Environment Programme (WINEP), improving biodiversity on its sites and reducing invasive non-native species in its water courses and reservoirs.

#### Customer Bills and Investment into the Region

Weeks before the public meeting, the customer bills for the coming year arrived at householders' homes. Bill charges for customers aligned with the Final Determination by Ofwat for the five-year AMP8, from 2025-30. The Final Determination enables South West Water to make an investment of £3.2bn investment across the company's regions over the next AMP. This investment aligns with customer priorities of clean, safe drinking water, reducing the use of storm overflows in bathing areas across the region, protecting the environment and investing in renewable energy provision. The investment will improve water quality, reduce pollution, increase water resources and improve efficiency. This investment, the largest environmental investment ever, is represented on customer bills.

Given the cost-of-living crisis, Bristol Water operates a number of schemes to help people struggling to pay their bills. The company's performance is seen as an area of excellence in terms of the number of individuals being helped. The customer service team is able to recommend the type of scheme best suited to the needs of the bill payer whether a cap on bills, flexible payment options, bill reduction for those with certain conditions as well as advice on how to reduce household water usage.





# 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.**

Previously the Bristol Water Board Independent Non-Executive Director (INED), who attended the Challenge Panel’s main meetings, considered that some issues arising in the meetings needed to be raised directly with the Bristol Water Board. The Challenge Panel always welcomed this. However, with the integration with Pennon Group, the iNED resigned in late 2021. All iNED actions arising from the Challenge Panel meetings have been included in the overall number of actions recorded.

## Of the 99 actions raised during 2024/25

49	by the Social Contract Sub Group
50	by the main Challenge Panel

## Of the 564 actions raised since April 2020

67	were raised by the Environment Sub Group
181	by the Social Contract Sub Group
98	by the now closed Customer Engagement Sub Group
206	by the main Challenge Panel
12	by email, raised by Panel members

## Case study – Purton Power Outage

In September 2024, an electrical storm and very humid conditions combined to cause an unusual electrical failure at Purton Water Treatment Works.



The company lost nine variable frequency drives (an electronic gear box that regulates the pumps they are wired up to) and a high voltage ballast card that regulates the ultraviolet water disinfection system. It was quite unprecedented to suffer such widespread failure, that appeared not to be mitigated by the surge protection that had been installed on site.

Bristol Water contractors and staff worked tirelessly to replace and swap equipment out, supported by Pennon Group colleagues, who supplied hired drives that were brought in, wired up and commissioned. The initial power outage had stopped the works so the company was only able to understand the extent of the issues once the works could be restarted.

These failures took considerable time to diagnose and fix. The situation was ultimately contained and the Challenge Panel commends the company on the huge effort undertaken by the company to remedy the situation. Despite the potentially high impact this incident could have had on customers, the company’s comprehensive response meant that no customers were affected.

## Actions and Challenges continued

## Case study – Lead Pipe Replacement

There are a large number of properties in the Bristol Water supply area that were built before the 1970s and have a lead pipe supply from the water main and into the home.



The company has been running an Ofwat-approved lead pipe replacement programme during 2024/25. This programme provides free of charge replacement of lead pipes between the stop tap in the pavement to inside the home, which would normally be the responsibility of the customer rather than the company. In total, 514 customer-side lead services have been replaced since the start of the project and 262 of these (51% of the total) included internal replacement of plumbing to the first point of compliance (the cold-water kitchen tap).

The Challenge Panel has been kept informed throughout the lead pipe replacement programme, both in terms of the programme itself and how the company engaged with customers during the programme. The Challenge Panel is pleased to see that the programme is continuing and will target a further 800 customers in 2025/26 and that the lead replacements undertaken to date achieved high levels of customer satisfaction. The programme is over-subscribed because of high levels of customer interest, so the company is focusing on particular geographic areas. However, all Bristol Water customers are welcome to apply for the scheme. The company will survey their house and replace the pipes if high levels of lead are found, regardless of whether they are within the company’s chosen areas of lead pipe replacement or not. The Challenge Panel will continue to monitor this project in 2025/26.

## Actions Raised

The number of actions raised during 2024/25 was 99, giving a total of 564 actions raised since April 2020, the beginning of the current Asset Management Period (AMP). During 2024/25, 108 actions were cleared, giving a total of 510 cleared so far this AMP.

Of the 99 actions raised during 2024/25, 49 raised by the Social Contract Sub Group, and 50 raised by the main Challenge Panel. Of the 564 actions raised since April 2020, 67 were raised by the now closed Environment Sub Group, 181 by the Social Contract Sub Group, 98 by the now closed Customer Engagement Sub Group and 206 by the main Challenge Panel. The remaining 12 actions were raised directly by Challenge Panel members, usually by email.

At the end of 2024/25 the status of the action log was:

- 38 actions transferred to the challenge log
- 510 actions cleared
- 16 actions that remained outstanding and are carried forward to AMP8

This gives a total of 564 actions.

## Challenges

No actions were transferred to the challenge log during the year; however, 38 actions had been transferred to the challenge log in previous years. This reduction in challenges in 2024/25 was expected as the WaterShare+ Group Panel took over PR24 challenge discussions, with the Challenge Panel focusing on Bristol Water’s PR19 performance and delivery. Due to the end of the AMP, the outstanding actions were reviewed to determine if any would not be cleared until AMP8 and three such actions were identified.


There were 53 entries in the Challenge Log at the end of AMP7. Nine challenges had not been completed in AMP6, 41 challenges arose from Challenge Panel members’ scrutiny of Bristol Water activities during AMP7, two challenges arose from the iNED intervention described above and the final challenge was a direct challenge from the Chair to the Board of Bristol Water.

At the end of 2024/25, the status of the challenge log was 40 challenges confirmed, seven actions that required no action and six actions that were not progressed due to the Social Contract initiatives being included in the ESG Programme. There were no challenges outstanding at the end of AMP7. The BWCP had a 75% success rate of converting challenges into changes in Bristol Water working practices.



# Company Performance in 2024/25

As stated previously, March 2025 marks the end of the business planning period established by Ofwat, the water regulator, for all water companies and covering the five-year period from 2020/21 to 2024/25 (named Asset Management Period 7, commonly abbreviated to AMP7).



Throughout AMP7, South West Water has been implementing the promises made in that business plan, regardless of weather conditions, unplanned pipe bursts and repairs or circumstances such as the Covid pandemic 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. Some of the performance commitments include a financial Outcome Delivery Incentive (ODI), which rewards strong results or applies penalties, whilst other ODIs are non-financial only. Every water company is measured on a number of ODIs with common and bespoke standards and ways of measuring performance.

Bristol Water often asks the Challenge Panel to use its skills and experience to ensure that their 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 underpinned annually by Bristol Water’s technical assurer.

Bristol Water’s 29 performance commitments (PCs) and Outcome Delivery Incentives (ODIs) for AMP7 are set out in its PR19 Final Determination from Ofwat . Some of these have since been modified slightly by the outcome of the subsequent Competition and Markets Authority Determination following the Bristol Water appeal against the Ofwat PR19 Final Determination.

PCs are distributed across three main ODIs for customers. These ODIs, the number of PCs associated with each and the company’s performance in 2024/25 is summarised as follows:

\*Please note that waste disposal compliance, an environmental measure, missed target but was within deadband and is therefore classed by the company as on track for all of years above.

Bristol Performance		On Track or Ahead of Target	
On track or ahead of target	2023/24	2024/25	
Areas of excellence (significantly exceeded target)	3	4	
Outperformance (demonstrably exceeded target)	9	6	
On track (met target or within tolerance)	9	8	
Total number of performance commitments on track or exceeded	21	18	
Underperforming			
Marginal underperformance (minor work to return to target)	5	5	
Areas of focus (significant work to return to target)	3	6	
Total number of target areas requiring improvement	8	11	
Total number of performance commitments	29	29	
Percentage of performance commitments met or exceeded	72%	62%	

## Company performance in 2024/25 continued

Bristol Water met 18 PC targets in 2024/25 in comparison with 21 in 2023/24.

Most PCs and associated ODIs reflect performance in the financial reporting year, which is 1 April 2024 to 31 March 2025. Water quality and waste disposal PCs are measured on a calendar year basis. Water quality includes four measures: water quality compliance (CRI), customer contacts about water quality (appearance), customer contacts about water quality (taste and smell) and turbidity.

Detailed Company Performance in 2024/25  
This section identifies the key points and challenges arising from Bristol Water performance during 2024/25.

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](http://www.bristolwater.co.uk/about-us/our-performance). The company’s performance against its PC targets in 2024/25 is expected to result in around £0.372 million ODI outperformance payments (rewards) and around £5.051 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.

In the charts below, type of performance commitment is defined as ‘Common’ where all water companies report against the same definition of any given activity, or ‘Bespoke’ where the activity is defined by Bristol Water.

Performance Commitment	Type	Incentive	2024/25 Actual	2024/25 Target	2024/25 Outturn Performance	Performance against Target	2024/25 Payment
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### Safe and Reliable Supply of Water

Water quality compliance (CRI)	Common	Penalty for under performance	7.07	0	2.82	Minor work to return to target	Penalty £0.252m
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The Challenge Panel welcomed the significant improvement during the 2024 calendar year due to the work at Littleton Treatment Works. However, this remains above the ODI target of 0. The company informed the Challenge Panel that its CRI performance in the 2025-30 regulatory period should improve due to quality improvement schemes across the Bristol Water supply area, including specific schemes at Cheddar, Stowey and Littleton Treatment works. The company is delivering a clear plan to mitigate the risks concerned. The Challenge Panel noted this and expects further improvement in the CRI results in AMP8.

Water supply interruptions	Common	Reward and penalty available	00:09:24	00:05:00	00:07:21	Significant work to return to target	Penalty £0.223m
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The Challenge Panel welcomed the improvement in performance over the previous year but noted that this is an area of focus for the company where significant work is underway to meet plan commitments. Two events accounted for just over three minutes of the total interruption time. The company have advised the Challenge Panel of the actions they are putting in place to prevent events occurring, detect events sooner and have personnel on site quicker. Improvements in the delivery of bottled water have been made. The Challenge Panel expects a continued improvement in performance against this metric.

Mains repairs	Common	Penalty for under performance	124.8	130.7	121.0	Demonstrably exceeded target	Nil
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The Challenge Panel was advised that the company minimise the likelihood of mains bursts by replacing sections of poorly performing pipework and minimising transient water pressure spikes. This process has resulted in the company proactively detecting leaks (475), rather reactively responding to mains leaks reported by customers (369). The Challenge Panel welcomes these improvements.



Performance Commitment	Type	Incentive	2024/25 Actual	2024/25 Target	2024/25 Outturn Performance	Performance against Target	2024/25 Payment
Unplanned outage	Common	Penalty for under performance	2.06	2.34	1.57	Significantly exceeded target	Nil
The Challenge Panel was advised that outages at Purton Treatment Works caused the 2023/24 target to be missed. A multiyear programme is ongoing to reduce future risks. Also, a programme of physical peak capacity testing is in place. The Challenge Panel looks forward to the completion of this work.							
Risk of severe restrictions in a drought	Common	Reputational	7.3	25.6	28.5	Minor work to return to target	N/A
The Challenge Panel was advised that this theoretical historic risk would not affect current water resources until 2037. The Challenge Panel looks forward to this metric improving in AMP8.							
Customer contacts about water quality – appearance	Bespoke	Reward and penalty available	0.59	0.43	0.67	Significant work to return to target	Reward £0.042m
The Challenge Panel expressed disappointment in seeing the company’s performance decline further in 2024/25. The company informed the Challenge Panel that the largest contributor to appearance contacts relates to the disturbance of iron sediments in the mains network. The company have continued their work with the Fire Service to reduce the risk of sediment disturbance and continued risk based systematic flushing.							
Customer contacts about water quality – taste and smell	Bespoke	Reward and penalty available	0.23	0.25	0.28	Significant work to return to target	£0.008m
The Challenge Panel was disappointed that the reducing trend of taste and smell complaints has reversed. The company intends to install additional chlorine network analysers and additional secondary chlorination points to improve the management of residual chlorine. The Challenge Panel notes that the majority of taste and smell contacts are associated with customers’ internal plumbing systems.							
Properties at risk of receiving low pressure	Bespoke	Reward and penalty available	6	49	8	Significantly exceeded target	Reward £0.179m
The Challenge Panel welcomed the company’s continued strong performance against this measure.							
Turbidity performance at treatment works	Bespoke	Penalty for under performance	0	0	0	Met target or within tolerance	Nil
The Challenge Panel welcomed the company’s continued strong performance against this measure.							

Performance Commitment	Type	Incentive	2024/25 Actual	2024/25 Target	2024/25 Outturn Performance	Performance against Target	2024/25 Payment
Unplanned maintenance – non-infrastructure	Bespoke	Penalty for under performance	3,045	3,272	3,068	Demonstrably exceeded target	Nil
The Challenge Panel welcomed the company’s continued outperformance against this metric in 2024/25.							
Glastonbury Street network resilience	Bespoke	Penalty for under performance	0	0	0	Penalty for under performance	Nil
The Challenge Panel welcomed the company’s delivery in March 2023 of the main that now connects Wells to Glastonbury and Street in Somerset.							
Local Community and Environmental Resilience							
Leakage (three-year average)	Common	Reward and penalty available	38.2	32.1	38.5	Significant work to return to target	Penalty £1.677m
The Challenge Panel was disappointed to see the continuing deterioration in Bristol Water’s leakage performance in 2024/25, especially after its excellent result in 2021/22. This reversed the strong downward trend in the three-year average leakage levels in recent years. Nevertheless, Bristol Water has one of the lowest leakage rates in the water sector. The Challenge Panel was encouraged to learn that the company has now implemented new initiatives including the development of a fixed acoustic network in Bristol, which should help location time including the problematic winter period. The company has noticed that the system used in Bristol Water is different to that used by South West Water to determine leakage and it is reviewing the methods.							
Per capita consumption (three-year average)	Common	Reward and penalty available	148.8	139.5	146.0	Significant work to return to target	Penalty £0.195m*
The Challenge Panel notes that the per capita consumption performance has declined over the last two years. A reduction in leakage, increasing smart metering penetration and the methodology mentioned above will reduce the PCC usage, but the largest reduction in PCC will come from a reduction in customers’ use of water.							
Meter penetration	Bespoke	Reward and penalty available	67.45	75.00	69.14	Significant work to return to target	Penalty £2.655m
This commitment only monitors household metering. The Challenge Panel noted that, as Bristol Water is not a water stressed area, it cannot use compulsory metering to increase its meter penetration, but must rely on demonstrating to customers the financial benefits of installing a water meter to achieve a higher penetration. This would probably require a commitment by the company to prioritise Bristol Water meter penetration activities. An alternative would be for the Environment Agency to make Bristol a water stressed area.							



Performance Commitment	Type	Incentive	2024/25 Actual	2024/25 Target	2024/25 Outturn Performance	Performance against Target	2024/25 Payment
Raw water quality of sources	Bespoke	Penalty for under performance	514	531	536	Demonstrably exceeded target	Reward £0.001m
The Challenge Panel welcomes the strong improvement achieved over the four years.							
Biodiversity Index	Bespoke	Reward and penalty available	17,707	17,711	17,711	Met target or within tolerance	Nil
The Challenge Panel noted the improved condition of Bristol Water land and water holdings overall, but noted that performance against this metric declined from demonstrably above target in 2023/24 to on track in 2024/25.							
Waste disposal compliance	Bespoke	Penalty for under performance	98	100	98	Met target or within tolerance	Nil
Due to the discussion on this PC, the Challenge Panel obtained a better understanding of the problems at Blagdon. It understands that most of the issues at this site are attributed to a deterioration in raw water quality rather than operation of the fisheries. There were no breaches at Blagdon in 2024. However, the five compliance failures occurred at Barrow during improvement and commissioning work. The company is confident the issues will not be a recurring problem. This target is classed by the company as on track. It missed target but is within deadband.							
WINEP compliance	Bespoke	Penalty for under performance	100	100	100	Met target or within tolerance	Nil
The Challenge Panel is encouraged that the company is continuing to meet its WINEP commitments, again resulting in environmental improvements.							
WINEP delivery	Bespoke	Reputational	Met	Met	Met	Met target or within tolerance	N/A
The Challenge Panel notes that the company is meeting its WINEP commitments, again resulting in environmental improvements.							
Local community satisfaction	Bespoke	Reward and penalty available	88.9	85.0	97.1	Significantly exceeded target	Reward £0.166m
The Challenge Panel noted the improved response rate and the highest result in AMP7.							
Abstraction Incentive Mechanism	Bespoke	Reward and penalty available	N/A	-186.1	N/A	Met target or within tolerance	Nil
The Challenge Panel was pleased to note that the AIM was not triggered in 2024/25 and that it was not triggered throughout the AMP7 reporting period.							

Performance Commitment	Type	Incentive	2024/25 Actual	2024/25 Target	2024/25 Outturn Performance	Performance against Target	2024/25 Payment
Excellent Customer Services							
C-MeX	Common	Reward and penalty available	4th (80.98)	Above Median	Upper Quartile (77.76)	Significantly exceeded target	Reward **
The Challenge Panel notes that whilst Bristol Water’s score has decreased the company believe that they have remained in the upper quartile. The Challenge Panel is questioning why the C-Mex performance fell slightly in the 4th quarter. The company APR states that the company will continue ‘partnership working through our Social Contract’. Unfortunately, the company closed their Social Contract at the end of AMP7.							
D-MeX	Common	Reward and penalty available	5th (91.08)	Above Median	89.63	Demonstrably exceeded target	Reward **
The Challenge Panel was disappointed to see the company’s score drop in 2024/25. Sharing experiences and methodology across South West Water is bringing best practice across the operating regions.							
PSR reach	Common	Reputational	8.9	7.0	11.0	Demonstrably exceeded target	N/A
PSR - Attempted contacts	Common	Reputational	95.1	90.0	94.7	Demonstrably exceeded target	N/A
PSR - Actual contacts	Common	Reputational	59.6	35.0	62.6	Demonstrably exceeded target	N/A
The Challenge Panel welcomes the company’s achievements on actual and attempted PSR contacts and on the number of households registered on the PSR. The Challenge Panel was encouraged to see that the company continues to look at alternative ways to meet its PSR targets and improve affordability for its most vulnerable customers.							
Percentage of customers in water poverty	Bespoke	Reputational	0	0	0	Met target or within tolerance	N/A
The Challenge Panel noted this performance and will continue to challenge the company over its awareness and preparedness for likely increases in customer debt and long-term indebtedness. The Challenge Panel learnt that Bristol Water continues to monitor the number of customers in debt and has offered debt advice surgeries as part of its Social Contract work. The company has increased its customer support to provide discounted tariffs to additional customers. The Challenge Panel continues to monitor the company’s social tariff initiatives and its performance against this commitment.							



Performance Commitment	Type	Incentive	2024/25 Actual	2024/25 Target	2024/25 Outturn Performance	Performance against Target	2024/25 Payment
Customer satisfaction with value for money	Bespoke	Reputational	59	83	68	Minor work to return to target	N/A
The Challenge Panel is concerned that the company is still underperforming against this commitment. The Challenge Panel agrees that external factors such as media coverage around the industry's environmental pollution and on dividend and bonus payments may have had an impact on customers' perception of value for money for the services provided. It understands other water companies have experienced a similar effect. However, the Challenge Panel continues to have concerns over likely rising water poverty customer indebtedness.							
Percentage of satisfied vulnerable customers	Bespoke	Reputational	80	85	78	Minor work to return to target	N/A
The Challenge Panel expressed disappointment with the outcome.							
Void properties	Bespoke	Reward and penalty available	1.70	1.80	1.74	Demonstrably exceeded target	Reward £0.025m
The Challenge Panel welcomed Bristol Water maintaining its good performance.							
Total customer complaints	Bespoke	Reputational	23.4	Upper quartile	32.8	Minor work to return to target	N/A
The Challenge Panel is disappointed in the increase in complaints during the year. The company believe this will result in a rank position outside the upper quartile.							

Notes

\* the PCC reward/penalty mechanism is under review by Ofwat due to the impacts of COVID-19 on industry performance

\*\* to be confirmed by Ofwat





# Social Contract

Bristol Water’s Social Contract is a framework to help the company deliver societal benefits and be accountable to customers and stakeholders on the delivery of these. It is intended to inform how the company invests in projects in various communities and how it forms partnerships with other bodies and institutions.

The Social Contract has over 40 individual initiatives spread across nine programme areas:

- Academic partnerships
- Community engagement
- Conservation
- Education for citizens
- Education of employees of the future
- Lakeside leisure
- Regional strategies
- Resource West
- Vulnerability.

A detailed description of the Social Contract is provided at [bristolwater.co.uk/about-us/our-story/social-contract](https://bristolwater.co.uk/about-us/our-story/social-contract)

The role of the Challenge Panel in the Social Contract is to:

- Independently challenge and contribute to the ongoing development of the Social Contract framework with the objective of continuous improvement
- Oversee and challenge the delivery of the Social Contract programme on behalf of customers
- Challenge transparency of reporting in relation to the Social Contract
- Challenge and contribute to the development of the future programme of Social Contract activities to ensure that viewpoints are sought, fairly represented and taken into account.

The Challenge Panel is very aware of its independence and potential conflicts of interest during the development and monitoring of the Social Contract and the associated stakeholder engagement. It used its Social Contract Sub Group (SCSG) to undertake detailed work and to keep it informed of key developments and findings.

The SCSG reported its findings and opinions to the main Challenge Panel.

During 2024/25, the company provided a ‘deep dive’ session on its conservation programme. The Challenge Panel welcomed the fact that the company shared its Biodiversity Index tool with farmers and landowners, as well as discussing it with Ofwat and other water companies. Ofwat has introduced a national performance commitment based on this tool in AMP8.

The Challenge Panel supported the planting of 700 new trees at Cheddar, Chew and Blagdon as well as the removal of over 250 dysfunctional trees that were replaced by 2,500 new trees over the same sites. The company also planted 300 hedge whips at Blagdon. The number of schools and community groups involved in the planting was also encouraging.

The company also provided a deep dive on lakeside recreation during the year. The Challenge Panel welcomed the improvement in the company’s lakeside facilities, recreational trails, and improved disabled access. The Challenge Panel noted the delay in access to the Blagdon Steam Engine House due to safety issues.

The Challenge Panel noted that it is critical to try and establish the benefits of the Social Contract initiatives and their comparability across other organisations. The Challenge Panel suggested that triangulation of different methods and results could be considered.

The Challenge Panel stated they would like to see more feedback on the initiatives from company participants and from stakeholders. Also, the number of employees and communities that have been involved should also be recorded along with the ethnic diversity of participants. The Challenge Panel considered this would carry more weight when discussing the future of the Social Contract.

The Challenge Panel said that the company’s work in communities associated with improving equality and access has incidental additional benefits which could be significant. The company agreed that this was a consequence that wasn’t anticipated at the beginning of the Social Contract.

## Social Contract continued

The Challenge Panel stated its concern with understanding how the benefits of the Social Contract were to be integrated as business as usual within the company.

### Five Year Review

Since April 2020, the company has kept the Challenge Panel informed on the Social Contract programme and has enabled appropriate challenge to be made.

The Challenge Panel is particularly interested in the clarity and transparency of the company’s reporting and the evidence supporting the activities undertaken and the customer benefits derived from them. Each year, the Challenge Panel reviewed the annual benefits and transparency report on these programmes and agreed a methodology to review in more detail the programmes and initiatives on a sample basis, known as deep dives. This ensured priority areas were reviewed for more detailed challenge each year.

While Bristol Water is not obliged to act on Challenge Panel findings or recommendations concerning its Social Contract activities, it is expected that the company considers insights seriously and provides adequate justification for its responses. If any additional funding had been required under the Social Contract mechanism, the Challenge Panel would have had a role in agreeing how it should have been utilised.

The Challenge Panel is pleased that the collaboration between the Challenge Panel and Bristol Water has effectively delivered Bristol Water’s social purpose and feels the Social Contract framework has been instrumental in enabling Bristol Water to engage with the local community and understand the broader societal needs, beyond just water services.

Reflecting on the last five years, the Challenge Panel believe that the Social Contract programme has successfully delivered on its aims of understanding community needs and introducing initiatives that address key societal issues through innovation and transparent policies. The Challenge Panel notes the improving trend in stakeholder satisfaction and that Bristol Water has consistently remained in the top the water companies in UK Customer Satisfaction Index (UKCSI) throughout the last five years. The Social Contract has built on an important and rich history of innovating in public health and wellbeing, which was celebrated on the 175th birthday of Bristol Water in 2021. We hope those who founded the company in 1846 would be proud that their vision still has a lasting impact today.



The Challenge Panel believes that the positive stakeholder feedback received is a testament to the impact Bristol Water has had on the local community and the flexibility that has been required to deliver during difficult periods, most notably the COVID-19 lockdowns.

The Challenge Panel has effectively held Bristol Water accountable for delivering community benefits and has been a key pillar in maintaining community trust during a period of intense public scrutiny in the water sector. The contribution of individual staff members in leading on each initiative and engaging directly with company leadership and the Challenge Panel has been particularly worthwhile.

### ESG Framework

The Challenge Panel was pleased with the impact made by the Social Contract initiatives during the five years of its operation, and by linking the Social Contract initiatives with the UN Sustainable Development Goals, this enables greater scrutiny and potential benchmarking with other similar external initiatives.


The Challenge Panel is pleased that many of the initiatives of the Social Contract will be incorporated into the ESG Programme of the Pennon Group. The Chair of the Challenge Panel participated in the independent research conducted by the Pennon Group on its ESG programme. As stressed in that research project and subsequently, the lack of ongoing involvement by an independent, customer-focused body on the design, evaluation and implementation of such programmes has the potential to weaken both the impact and credibility of the ESG programme.

Updates on ESG activities will be provided at WaterShare+ Group Panel meetings going forwards. However, the Challenge Panel remains committed to ensuring that Bristol Water continues to prioritise the needs of the community and uphold the principles of transparency and accountability



Customer Engagement

Bristol Water undertook a series of research projects during 2024/25 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 2024/25 by Bristol Water.

Timeline	Task	Topic	Phase	The Challenge Panel Input
Q4 2023/24	Youth Board	Future customers priorities	BAU research	Attended, read report
Q4 2023/24	Annual surveys	Customer satisfaction	BAU research	Reviewed results
Q4 2023/24	D-MeX Q3 qualitative analysis	Developer satisfaction	BAU research	Reviewed results
Q4 2023/24 – Q1 2024/25	Bristol Water online panel	The Drop magazine	BAU research	Read report
Q4 2023/24	Online panel survey	Service satisfaction	BAU research	Reviewed results
Q4 2023/24	Lived experiences online panel	Vulnerable customer satisfaction	BAU research	Reviewed results
Q1 2024/25	Vulnerability strategy focus groups	Vulnerability strategy	BAU research	Reviewed results
Q1 2024/25	D-MeX Q4 qualitative analysis	Developer satisfaction	BAU research	Reviewed results
Q1 2024/25	EPA focus groups	EPA	BAU research	Attended, reviewed report
Q4 2023/24 – Q1 2024/25	Lived experiences (PSR) online panel	Vulnerable customer satisfaction	BAU research	Reviewed results
Q4 2023/24 – Q1 2024/25	Bristol Water online panel	The Drop magazine	BAU research	Reviewed results

Customer Engagement continued

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.

The Challenge Panel was pleased to note the company’s continued outperformance against for D-MeX and C-MeX performance commitments in 2024/25. The Challenge Panel will continue to scrutinise performance including the company’s focus on improving customer journeys, customer service, support for vulnerable customers and the digital customer journey to deliver the best customer service. The company is currently working on replicating Bristol Water’s good practice on customer service throughout the rest of the company’s regions. The Challenge Panel also scrutinised and provided feedback on the company’s Customer Care Strategy to 2030.

During 2024/25, 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. 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.

PR24 Engagement

Through the WaterShare+ Group Panel, the Chair and Deputy Chair of the Bristol Water Challenge Panel engaged extensively with the company’s leadership and executive teams from 2023 onwards with regard to the company’s PR24 business plan proposals for 2025-30. The Panel’s remit was to ensure that the company’s plans were best value for customers and the environment.

As Deputy Chair of the WaterShare+ Group Panel, the Chair of the Challenge Panel attended a meeting of the company’s Board-level PR24 Sub-Committee during 2024/25 and met with senior Ofwat executives before they finalised their determination of the company’s new business plan.

The Challenge Panel was pleased to see that CCW’s response to Ofwat’s 2025-30 Draft Price Determination for Pennon Group (including South West Water, Bournemouth Water and Bristol Water) highlighted ‘the scale of research and engagement that took place to inform the company’s business plan, including the work of the WaterShare+ Panel and the Bristol Water Challenge Panel in pushing the company to go further.

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.



The Challenge Panel was pleased to note the company’s continued outperformance against for D-MeX and C-MeX performance commitments in 2024/25.



# Priorities and Challenges for 2025/26

Customer expectations and sentiments reinforce the need for increased targets by regulators on water companies. Being on track at the end of the 2020-25 business plan period known as AMP7 will therefore enable the next AMP (AMP8) to progress smoothly.



**However, where performance has lagged behind that promised in the AMP8 business plan, then greater effort is needed by Bristol Water to ensure that it catches up with what is required to meet the targets over the next five year business implementation cycle.**

Additionally, Ofwat has established a set of new measurements and targets to be achieved in AMP8. The company could be financially penalised for not meeting the targets set out in the business plan or financially rewarded for exceeding some targets. The company can then decide how much, if any, of such financial reward received by outperformance it reinvests to further meet customer expectations.

Bristol Water will need to meet some additional targets that have not been reported in AMP7 as the regulators respond to public interest in climate change and customer experience and introduce common definitions to improve comparability across the industry.

The final report of the Independent Water Commission's Cunliffe Review was published in July 2025. The report sets out recommendations for reform to improve the water sector regulatory system in England and Wales. The Challenge Panel will discuss the report's recommendations with the company during 2025/26, focusing on areas that may have an impact on customers.

As set out in the section Detailed Company performance 2024/2025, the company will need to focus on areas where its performance did not meet the performance commitments set for AMP 7. Hence, as a matter of priority, going forward Bristol Water will focus on its performance in 2024/25 on:

- Water supply interruptions (reducing the time to service customers from 7:00 minutes to 5:00 minutes)
- Customer contacts about water quality appearance, taste and smell
- Leakage (despite achieving some of the lowest leakage rates by water companies in England as measured by a comparative measure)
- Per capita consumption (reducing the measured use of water from a baseline established in 2019 to 2020)
- Meter penetration.





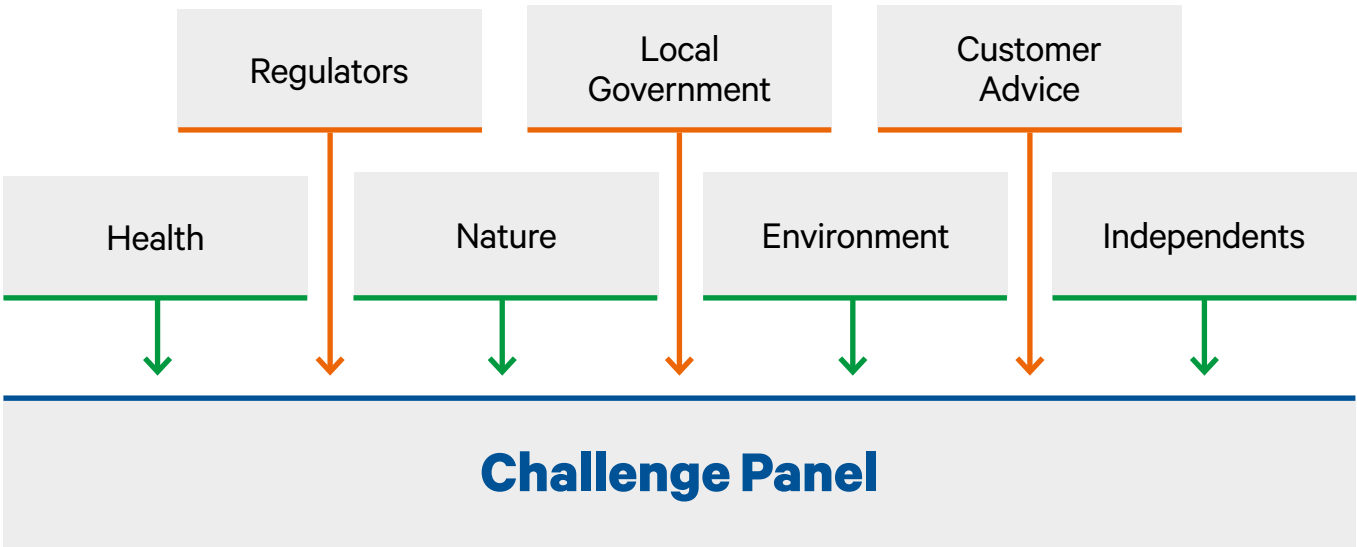
# Appendix 1

## Meet the Panel

The 11 members of the Challenge Panel at the end of 2024/25 were:

<b>Peaches Golding OBE CStJ</b> Bristol Water Challenge Panel Chair	<b>Tony Denham</b> Bristol Water Challenge Panel Deputy Chair	<b>Catherine Jones</b> Consumer Council for Water
<b>Laura Henley</b> Natural England	<b>Tamsin Sutton, Kevin Ward, and Frances Cribb alternately</b> Environment Agency	<b>Councillor Liz Leyshon</b> Somerset Council
<b>Councillor Patrick Keating</b> North Somerset Council	<b>Fran Begley</b> South Bristol Advice	<b>Dr Tabinda Rashid-Fadel</b> NHS
<b>Colin Williams</b> 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. AMP7 started in 2020 and AMP8 in 2025
APR	Report produced by the Company for regulatory reporting purposes, known previously as the Regulatory Accounts
BAU	Business as usual
BRL	Bristol Water
Challenge Panel	Bristol Water Challenge Panel – Bristol Water’s ICG, usually called the Challenge Panel
CCG	Consumer Challenge Group – a group whose primary purpose is to challenge Bristol Water’s performance and to review and challenge the Social Contract implementation
CCW	The Consumer Council for Water – the independent voice for water consumers in England and Wales
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)
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
ESG	Environment Sub Group of the Bristol Water Challenge Panel
FD	Final Determination of Prices – provided by Ofwat and sets the company’s revenues and thus the customers’ bills for the next AMP
ICG	Independent Challenge Group – successor to the CCG
ICS	Institute of Customer Service
MI/D	Mega litres per day



# Appendix 2

## Glossary

NE	Natural England – the Government’s advisor for the natural environment in England
ODI	Outcome Delivery Incentive – financial or reputational incentive for each performance commitment, set by Ofwat in its Final Determination
PCs	Performance Commitments – Performance measures supporting the Outcomes. The levels of performance (targets) were set by Ofwat in the Final Determination
PCC	Per Capita Consumption – a measure of the volume of water used by each person
PFA	Per- and polyfluoroalkyl substances (PFAS) are a large class of thousands of synthetic chemicals that are used throughout society. However, they are increasingly detected as environmental pollutants, and some are linked to negative effects on human health. They are sometimes called ‘everlasting chemicals’ due to their long time in the environment.
PR19	Price Review 2019 – sets the customer bills for AMP7 from 1 April 2020 to 31 March 2025
PR24	Price Review 2024 – sets the customer bills for AMP8 from 1 April 2025 to 31 March 2030
PSR	Priority Services Register – a free service available for customers who need extra support
SC	Social Contract
SCSG	Social Contract Sub Group of the Challenge Panel – reviews and challenges the Bristol Water Social Contract planning and implementation of initiatives
SBAC	South Bristol Advice Centre
SWW	South West Water
UKCSI	UK Customer Satisfaction Index
WS+	WaterShare+ is the customer share scheme and the WaterShare+ Group Panel is the ICG for South West Water
WINEP	Water Industry National Environment Programme is the programme of actions water companies need to take to meet statutory environmental obligations, non-statutory environmental requirements or delivery against a water company’s statutory functions
WTW	Water Treatment Works



