



new  
deal

WaterShare+  
Customer Advisory Panel

# Annual report 2022



South West  
Water



Bournemouth  
Water

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## Chief Executive Officer's Foreword



### Building a deeper relationship with customers through WaterShare+

I believe there is no better way to respond to or capture public sentiment than building a deeper relationship with customers – really engaging with them and putting them at the heart of our decision making.

Our pioneering WaterShare+ Scheme provides a strong platform to empower customers, giving customers a greater say through our quarterly public meetings chaired by our independent WaterShare+ Customer Advisory Panel. In an industry first, this year included holding our first Customer Annual General Meeting. Enabling our customers to talk directly to me and my team about matters most important to them. This is just the start of real and honest customer engagement, resulting in a richer and deeper relationship with our customers.

In a year when rising living costs are at the forefront of our customers' minds, in February we announced that average bills for 2022/23 would be lower now than ten years ago, as well as unlocking over £5.1 million in affordability support, and putting more customers than ever onto social tariffs – we did this because it is the right thing to do.

Through our WaterShare+ public meetings I've been listening to the views of customers, whether that's concerns about bills, community investments or hearing their thoughts on the use of storm overflows. It's this honest and direct feedback that has guided everyone at South West Water. In response, we have launched WaterFit, our plan to protect the region's rivers and seas, bringing together existing plans to deliver multiple benefits with a catchment by catchment, community by community approach. Outlining how we can all play our part, working with partners, customers, visitors and local communities, with clear and measurable objectives, we can, and will, make a tangible difference to river and sea health over the next three years.

I could not reflect on the year without talking about the deeply disappointing 1★ rating passed to us by the Environment Agency for our 2021 environmental performance. This rating is not where we are now, nor is it where we are going. When I came into the role, I committed to prioritising the environment and targeted becoming a 4★ company by the end of 2024. Change is already underway. Over the course of the past 12 months, we have been focused on reducing overall pollution numbers, realigning teams and culture, improving resourcing by 25% and increasing supply chain activities. This has resulted in a one-third reduction in pollution incidents, our lowest number in 10 years.

### Our values

**We know it's not only what we do, but how we do it that matters to our customers and communities. That's why we live our values every day.**



#### Trusted

We do the right thing for our customers and stakeholders



#### Responsible

We keep our promises to our customers, communities and each other



#### Collaborative

We forge strong relationships, working together to make a positive impact



#### Progressive

We are always looking for new ways to improve and make life better

We're also deploying more technology than ever before, using AI and data to better predict weather patterns, and potential pollutions, installing 1,000's of sewer depth monitors, Event Duration Monitors and flow meters, ensuring we have electronic eyes and ears everywhere. We've also carried out MOTs on all our 1,208 pump stations, are accelerating plans to standardise pumps across our infrastructure, making parts replacements easier and have implemented a rising main replacement programme.

Our environmental performance covers other aspects, and in particular for this region we are focused on making a step change and going further and faster in areas such as protecting bathing beaches and reducing the use of storm overflows. With the largest area of coastline of any water company we achieved 100% bathing water quality for the first time this year, up from just 28% in the 1990s. Our approach is to use both hard engineering and nature-based solutions, with one great example being Combe Martin, where working with the community, we worked together to reduce pollution levels, achieving re-designation.

As part of our New Deal Business Plan, launched in 2020, our WaterShare+ scheme shared £20 million of outperformance with customers and gave them not only a say in what we do but a stake too. Shaped by customers for customers, WaterShare+ originated in the largest ever customer consultation we have undertaken. One in 16 households in the South West region are now shareholders as well as customers, heralding a new era in customer ownership – a true partnership. Sharing our success with customers is at the heart of WaterShare+ and put simply, if we deliver, customers also benefit. Our intention is to issue the second run of our WaterShare+ scheme later in 2022.

South West Water not only serve the South West community, we're also part of it. There are many community projects which make a real difference to the lives of our region's people and the places they love. We're delighted to do what we can to support them through our community funds.

Since launching our two funds in 2020, we've helped over 100 brilliant causes across the region. Our Neighbourhood Fund has supported fantastic local projects such as repairing buildings, providing sports equipment, and helping vulnerable people. Through our Water-Saving Community Fund we've inspired communities to get involved in saving water. This has already resulted in an estimated yearly saving of around 59 million litres!

Our WaterShare+ scheme and our WaterShare+ Customer Advisory Panel are integral to our plans and I would like to thank the Panel for their leadership in representing the views of customers and providing an independent view of the delivery of the company's business plan, performance commitments and Board pledges.

**Susan Davy**  
Chief Executive Officer



You can find out more about our WaterFit plans [here](#).

#### DID YOU KNOW?

**One in 16 households**  
in the South West are now shareholders as well as customers

Our two funds have helped  
**over 100**  
brilliant causes across the region

new  
deal

## Chair's Introduction



**Lord Matthew Taylor**  
Chair of the WaterShare+  
Customer Advisory Panel

I am pleased to introduce this report which covers the work of the WaterShare+ Customer Advisory Panel from April 2021 to March 2022.

The overall purpose of the WaterShare+ Customer Advisory Panel is to champion the interest and needs of customers by providing an independent view on the delivery of the company's business plan, including its performance commitments and Board pledges. The WaterShare+ Panel also strives to boost customer engagement and increase awareness of the WaterShare+ scheme to help inform the Panel's assessment and response on the company's performance.

By holding in-depth sessions with the executive directors we have been able to drill into the operational issues that a water company faces. We have also worked with the water industry regulators to learn more about their priorities and how they impact both the company and its customers. By inviting the Consumer Council for Water, Environment Agency and Natural England to directly advise and attend the Panel, we have been able to understand their concerns too, and get their perspective on the evidence presented to us by the company on their successes and challenges over the year.

The Panel has worked hard to genuinely hold the company to account on behalf of customers and ensure the customer view is heard both from us as a Panel, and directly from customers through customer research, and giving the opportunity to all customers to attend public Panel meetings to not only observe the proceedings, but take part in the discussion and directly quiz the company's senior executives.

The Panel has been acutely aware that one of the most pressing challenges facing the water sector and South West Water is the number of serious pollution incidents and the actions needed to reduce the incidents and the impact on the environment. This has been strongly reflected in the priority given to this in customer representations to the Panel. We have set aside time in all our meetings to discuss these issues and track the actions taken to drive down the number of pollution incidents, with public sessions examining this issue in depth. We have sought information and answers on the issues and what is being done to tackle them from both the company, and the water industry regulators, including separate time for in-depth discussion with the Environment Agency. We have also enabled customers specifically concerned about this to attend our public meetings and question the company's CEO and other senior executives directly. It will continue to be a key area of focus and clearly remains work in progress.

We welcome the company's focus on tackling this issue and, whilst last year's figures were disappointing, we are pleased that the company shares the view this must be turned around and that the latest data does show clear improvements.

The second area of particular concern has been affordability and the particular issues impacting customers through Covid and now the post-Covid affordability crisis as living costs have sharply escalated. We have devoted significant time to examining the various programmes the company has put in place to help customers with bills. In addition, on behalf of the Panel, I wrote to Government supporting the continuation of the £50 contribution from national government so that all households receive this to mitigate the cost of water bills here that reflects the exceptional costs of the programme of protecting a third of the national beaches in a region with only 3% of the national population. I am pleased to say that the Government agreed to extend the £50 rebate to at least 2023.

On a related note, we also oversee the operation of the company's WaterShare+ framework, which includes a mechanism whereby if the company earns rewards by outperforming its business plan, the financial benefits are shared with customers. Put simply, if the company delivers better financial outcomes, then customers benefit. In the first 'watershare' issued in 2020, customers were given the choice of either receiving a £20 credit to their account or applying to receive shares in Pennon Group Plc. Thousands of customers took their shares and over 52,000 are now shareholders as well as customers. I am pleased the company intends to issue the second run of the scheme later this year.

Naturally there were many other matters discussed and considered by the WaterShare+ Panel, including, but not limited to, the impacts of Covid, the delivery of the Performance Commitments set in the last price review, employee engagement, environmental leadership, Climate Change, and the quality and accuracy of the company's reporting and assurance.

In conclusion, I believe WaterShare+ is proving an exciting and innovative programme that offers customers a greater say in what South West Water and Bournemouth Water does, as well as offering a financial benefit to customers. The Panel will continue to work with the Board of the company, and customers, to ensure that WaterShare+ achieves its full potential.

### Lord Matthew Taylor

Roche  
Cornwall



Any customer reading this who wants to know more about help that may be available can find information at [www.southwestwater.co.uk/bills/need-help-paying-bill/](http://www.southwestwater.co.uk/bills/need-help-paying-bill/) or by contacting the Citizens Advice Bureau.

*A stake and a say  
in our business*



More detail is given in the report that follows, and you can find out more [here](#).

# About the WaterShare+ Customer Advisory Panel

## Who are we?

The WaterShare+ Customer Advisory Panel is an independent group of customer, business and social representatives.

The membership of the Panel is strengthened with expert advisors from the Consumer Council for Water, Environment Agency and Natural England. All provide specialist insight and challenge to the company on behalf of the Panel and customers.

WaterShare+ Customer Advisory Panel biographies can be found in Appendix 1.

### WaterShare+ Customer Advisory Panel

**Lord Matthew Taylor** – Chair

**Nick Buckland OBE** – Vice Chair

**Adrian Bratt**

**Carole Theobald**

**Mark Duddridge**

**Richard Lacey**

### WaterShare+ Expert Advisors

**Michael Barnes** – CCW\*

**Kevin Ward** – Environment Agency

**Fergus Mitchell** – Natural England



“

The WaterShare+ concept is maturing well, and is proving itself to be able to provide a transparent and engaging route for both sense checking the company performance and facilitating customer interaction. I would fully recommend people continue to get involved as the development of the Panel process continues.

”

**Adrian Bratt**

“

We act as a ‘critical friend’ providing an independent view on the delivery of the company’s business plan and helping South West Water to get the best from its engagement ensuring customers are involved from the early stages of work, helping shape their approach and challenging and informing their work as it develops.

”

**Carole Theobald**

“

It’s good to see WaterShare+ doing exactly what was envisaged and by holding a number of our meetings in public we and the company are getting good, first-hand feedback, directly from customers. There is still work to be done but I am pleased to see the progress we have made working together as a Panel.

”

**Nick Buckland**

“

The Panel is here to look after the customers’ interest and challenge the company on its performance. The Panel looks forward to our extended role in looking after customers’ preferences as the company prepares for the next price review PR24.

”

**Richard Lacey**

“

South West Water plays a big role in our lives and them delivering their plans will help us all in a time when the costs of living are putting a very real squeeze on our budget.

”

**Mark Duddridge**





Price Review 2019  
Business Plan  
2020-2025

## What we do

The purpose of the WaterShare+ Customer Advisory Panel is:

- To boost customer engagement and feedback to help inform the Panel's assessment and response on the company's performance
- To champion the interests and needs of customers by providing an independent view on the delivery of the company's business plan, including its performance commitments and board pledges
- To increase awareness of the WaterShare+ customer scheme of share ownership and having a greater say in how the business is run.

The Panel works through a regular programme of meetings and engagement with the company, expert advisers and customers throughout the year.

### Specific elements of what we do include:

1. Seeking customer feedback by holding quarterly meetings in public, and further customer research
2. Monitor and review progress on the company's performance outcomes
3. Review the company's approach to sharing customer benefit, including the timing of sharing any net gain, and that it has been accurately assessed
4. Share views on behalf of customers on the company's dividend policy and any proposed changes
5. Provide an annual performance report statement and overview of the Panel's activities and assessment of the company's performance.

A description of the role of the Panel, together with its membership, terms of reference and the minutes of its meetings, can be found on the company's website [www.southwestwater.co.uk](http://www.southwestwater.co.uk).



## Have your say

You can tell us what you think and have your say by asking us a question at

[www.southwestwater.co.uk/about-us/watershareplus/meeting/](http://www.southwestwater.co.uk/about-us/watershareplus/meeting/)

or [www.bournemouthwater.co.uk/about-us/watershareplus/watershare-public-meeting/](http://www.bournemouthwater.co.uk/about-us/watershareplus/watershare-public-meeting/)

# Meetings

The Panel have held meetings throughout the year, including quarterly meeting in public with customers, meetings with South West Water's executive team to review company performance and in an industry first the Customer Annual General Meeting held in November 2021.

Meeting date	Topics discussed
<b>Company meeting</b>	
23 June 2021	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Environmental leadership</li> <li>• Environment Agency views on performance</li> <li>• Company performance</li> <li>• Full year results</li> <li>• Government contribution</li> <li>• Board leadership and transparency</li> </ul>
10 November 2021	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Climate change</li> <li>• Company performance</li> <li>• Pollutions Incident Reduction Plan</li> </ul>
14 February 2022	<ul style="list-style-type: none"> <li>• Company performance</li> <li>• PR24 preparations               <ul style="list-style-type: none"> <li>- WaterShare+ Customer Advisory Panel &amp; PR24</li> <li>- PR24 planning update</li> <li>- The Government's Strategic Priorities for Ofwat</li> <li>- Emerging plan</li> <li>- South West Water's Climate Adaptation Report</li> </ul> </li> <li>• WaterShare+ customer engagement proposal               <ul style="list-style-type: none"> <li>- Customer research synthesis</li> <li>- Panel research proposal</li> </ul> </li> </ul>
23 June 2021	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Environmental leadership</li> <li>• Environment Agency views on performance</li> <li>• Performance</li> <li>• Full year results performance update</li> <li>• Government contribution</li> <li>• Board leadership and transparency</li> </ul>

Meeting date	Topics discussed
<b>Public meeting</b>	
26 April 2021	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Overview of services in North Devon</li> <li>• Customer open session</li> <li>• Overview of affordability in the region</li> </ul>
7 July 2021	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Customer engagement</li> <li>• Environmental focus – performance</li> <li>• Environmental focus – our plans</li> <li>• Expert Advisor views on performance</li> <li>• Customer open session</li> </ul>
11 January 2022	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Half year performance</li> <li>• Climate change – SWW Adaptation Report</li> <li>• Climate change – customer priorities</li> <li>• Customer open session</li> </ul>
17 March 2022	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Company performance</li> <li>• Preparations for PR24</li> <li>• Customer open session</li> </ul>

## Our Customer Annual General Meeting – an industry first

10 November 2021	<ul style="list-style-type: none"> <li>• Welcome</li> <li>• Network Innovation session</li> <li>• WaterShare+ Customer Advisory Panel – introduction</li> <li>• WaterShare+ Customer Advisory Panel – engagement and activities</li> <li>• Challenges from the Panel</li> <li>• Customer open session</li> <li>• WaterShare+ annual view on company performance</li> <li>• Panel priorities for 2021/22</li> </ul>
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# Challenges

The WaterShare+ Customer Advisory Panel has used meetings, both in public and directly with the company’s senior executives and CEO, to ask questions and information of the company on the delivery of its business plan commitments, customer research, and specific issues arising from customer concerns such as how the company is supporting customers through the cost-of-living crisis and actions to reduce pollutions incidents.

The Panel consider these challenges a vital dialogue to achieve best outcomes for customers and welcome the company’s positive and constructive engagement.

The Panel and the company consider the challenge process to have been constructive and effective. 56 challenges and key questions were logged during this year. The graph below illustrates the range of issues raised during 2021/22.

## Issues raised



Whilst the Panel acknowledges much is on track, we have been acutely aware that one of the most pressing challenges facing the water sector and South West Water is the number of serious pollution incidents and the actions needed to reduce the impact of pollutions on the environment. The Panel have set aside time in all our meetings to discuss this issue.

The second area of particular concern has been the impact on customers from the post pandemic cost of living crisis. The Panel have devoted significant time to examining the various programmes the company has put in place to help customers with bills.

Significantly these questions and challenges have resulted in the Panel:

- Asking Government to continue the £50 contribution for South West Water customers for next year and the remainder of the current parliamentary period
- Challenging the progress on wastewater pollutions performance
- Commissioning future research on customer priorities for combined sewer overflows to help understand customer views on future plans and investment
- Requesting CCW provide reassurances that regional priorities will be assessed and incorporated into future business planning
- Confirming the company’s dividend and Executive remuneration approach was transparent
- Being satisfied the company’s provided assurance is robust.

The Panel’s main areas of focus are explored further in the following section.



# Key areas of focus

Through the Panel's engagement activities with the company the following principal areas have been scrutinised and challenged with the assistance of our expert advisors. Our key areas of focus are set out here.

**c.£22m  
unlocked**  
in affordability support

## Supporting customers – Affordability

South West Water has pledged to deliver efficiency, keeping bills as low as possible and target zero customers in water poverty by 2025, defined as any household that pays more than 5% of disposable income on water and sewerage. Understanding the potential impacts of the cost-of-living crisis the Panel has made this area a particular focus, reviewing the company's approach to supporting customers who are experiencing affordability challenges and asking if there have been changes in customer's payment behaviours to help target support.

Through its research the company has highlighted that customers continue to see affordability as extremely important to address; but those customers also want services to keep improving whilst ensuring bills are affordable. This requires careful balancing so that vulnerable and low-income customers are protected whilst ensuring high levels of service continue.

In a year when rising living costs are front of mind for many customers the company advised the Panel that there would be average bill reductions for South West Water and that average bills for South West Water and Bournemouth Water customers would be lower than they were ten years ago.

The company also advised the Panel that it has continued to actively promote affordability support, simplifying its application process, and sharing its plans to deliver the company's largest ever community outreach programme, working directly within the communities which need help the most.

The Panel are pleased that the company continues to address affordability with the continuance of its WaterCare+ scheme which provides holistic help to customers through benefit entitlement checks, energy efficiency advice and the application of the WaterCare+ tariff.

The company acknowledged the impacts of the cost-of-living crisis could make this stretching commitment more difficult but are flexing their approach and delivery to proactively offer affordability help to customers.

The Panel itself have confirmed its strong support for the Government's £50 contribution for South West Water customers for the remainder of the current parliamentary period and are pleased that the government has agreed to extend the contribution to at least 2023.

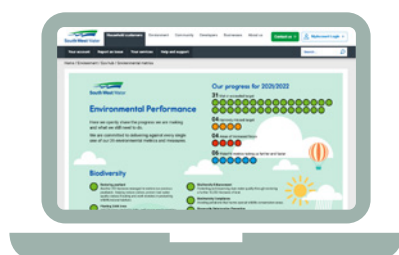
With customers highlighting affordability being extremely important to address, the Panel will continue to review progress in this area so it can be assured the company is delivering on its target to achieve zero customers in water poverty by 2025, the most ambitious target in the water sector.





## Environmental leadership

The Panel, like customers, believe that taking the lead on environmental matters is a priority. The delivery of environmental leadership is one of South West Water's Board pledges.



To track the delivery against its Board pledge the company report on 39 environmental metrics including pollutions, bathing water quality and Net Zero commitments. Customers can view the company's performance on the company's Environmental Dashboard which is published on the company's [website](#).

The Panel has been acutely aware that one of the most pressing challenges facing the water sector and South West Water is the number of serious pollution incidents and this has been strongly reflected in the priority given to this key area of focus.

On behalf of customers the Panel has worked hard to genuinely hold the company to account setting aside time in all meetings to discuss the delivery of environmental leadership and specifically track actions being taken by the company to drive down the number of pollution incidents. The Panel has also enabled customers specifically concerned about pollutions to attend our public meetings and question the company's CEO and other senior executives directly.

In response, the company has provided the Panel and its customers with regular information and updates on the company's progress on the actions it has taken to reduce the number of pollution incidents, including openly publishing updates on its Pollution Incident Reduction Plan on their website.

The company has been transparent that performance in respect of wastewater pollution incidents did not achieve the target the company set itself this year. Though the Panel acknowledges the 33% reduction in the overall number pollutions compared to 2020, last year's results are disappointing.

The company have stated that whilst the reduction in pollutions demonstrates their commitment to the Pollution Incident Reduction Plan and the effectiveness of targeted interventions, they recognise there is still more that needs to be done, we are pleased that the company shares the view this must be turned around.

The company have committed to continue to improve by maintaining the interventions already delivered and identifying other opportunities to enhance performance. This includes a revised and strengthened governance structure for all environmental issues, including pollutions.

The company has advised it is determined to target a transition in the reduction of pollution incidents through a more proactive operating model including deploying a significant number of sensors and monitoring technology across their wastewater network. Other key initiatives noted by the company are:

- Completion of 'hotspot' investments and creation of a new Programme of further work at other problematic locations
- Increasing the resource available for a 24/7 response to potential pollution incidents



You can find out more about how South West Water are reducing the number of pollution incidents [here](#).

## Key areas of focus continued

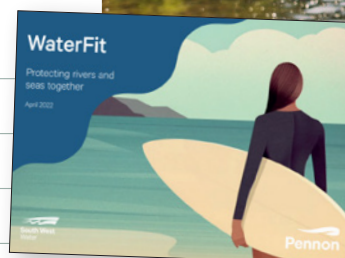
- Collaborating with others in the industry to share best practice and operational insights
- Changing the way sampling is conducted to provide a quicker assessment of potential impact to inform their response
- Enhancing the root cause analysis processes to deliver greater insight into developing risks
- Making changes to maintenance regimes for key assets to ensure reliability
- Helping customers to understand how their behaviour impacts on our assets and ultimately their local environment
- A renewed focus on culture, training, and standards with their workforce.

In addition to the customer research undertaken and shared by the company, our public meetings have helped the Panel and the company further listen to customers. In terms of environmental performance there is no doubt that improving river and sea quality has taken centre stage, as water-based recreation has become more popular, and the pandemic has strengthened the bond we want with green and blue spaces. Having consulted with the Panel the company has responded by issuing WaterFit – their plans to go further and faster for healthy rivers and seas.

WaterFit has been developed by building on the company's exiting plans to ensure that they can deliver across a wider range of commitments as well as going further and faster with new ambition. By front loading and rebalancing £330 million investment the company has said it will focus on those projects than will deliver multiple benefits, focused on a catchment by catchment, community by community investment approach, ensuring all areas in the region are benefiting with no additional impact on bills.

### South West Water's WaterFit commitments

- 1 **Nurturing healthy rivers and seas**
- 2 **Putting nature on everyone's doorstep**
- 3 **Creating and restoring habitats**
- 4 **Inspiring our local champions**
- 5 **Creating a sustainable future**
- 6 **Putting people in control**



As a Panel we are pleased to see that c.80% of the company's 39 environmental metrics are being achieved, including 100% bathing water quality, biodiversity commitments, leakage reduction targets and reductions in internal and external sewer floodings.

The Panel are also acutely aware that within the Environment Agency's annual Environmental Performance Assessment (EPA) South West Water has been awarded a rating of 1☆ for the 6 measures within the EPA (these measures are included within the 39 environmental metrics measured by the company). Despite the progress being made this clearly shows the company has progress to make.

The Panel has welcomed the reduction in the number of pollution incidents in the year, the 80% of environmental metrics being achieved, the additional commitments from the company's WaterFit plan and their commitment to achieving a 4☆ EPA rating by 2024. However, we are very clear that more must be done.

We will continue to challenge this key area of focus, setting aside time in all our meetings to discuss with the company's CEO and senior executives to understand the actions and progress being made. Our public sessions will also continue to examine these issues in depth, and we will continue to hold the company to account on behalf of customers whilst taking advice from the Environment Agency on the strength of the company's plans and performance outcomes.



You can find out more about WaterFit plans [here](#).

## PR19 Outcomes and Performance Commitments

Within its business plan South West Water has a range of performance commitments which apply across its South West and Bournemouth areas. These performance commitments are based upon extensive research identifying key customer and other stakeholder priorities.



On behalf of customers an important element of the Panel's role is to provide an independent view on the company's business plan, including its performance commitments and board pledges.

Throughout the year South West Water has shared regular updates on its 2021/22 performance, reporting c.80% of its performance commitments are on track or ahead of target.

South West Water has categorised these performance commitments as either areas of excellence, outperformance, on track, marginal underperformance or areas of focus, as illustrated in Appendix 2.

The company is targeting achieving all commitments by the end of the 2020-2025 regulatory period and the Panel has scrutinised and challenged the company to ensure it is fully able to assess how the company is performing against this plan. This has included the company providing detailed reports which easily compare performance against its planned performance commitments.

Customers' top priority continues to be the delivery of a continued supply of clean drinking water, and there have been no water restrictions despite the higher demand during the year.

Amongst others the company has also been able to report achieving or exceeding in sewer collapses, internal and external flooding incidents and improved leakage performance as well as delivering 100% bathing water quality standards.

Pleasingly all bespoke targets in respect of supporting those customers in vulnerable circumstances have also been achieved.

Through further customer research, our activities will include testing customer views on performance and investment. Though we acknowledge and welcome recent improvements in wastewater pollutions performance we will continue to hold the company to account in this area.





# WaterShare+ Customer Advisory Panel – Annual Performance View

WaterShare+ is an exciting and pioneering scheme that offers customers a greater say and stake in what South West Water does.

“  
...open, transparent  
and productive...  
”



The Panel have been tasked with ensuring the company is held to account for its performance in an open and transparent manner. A key role of the Panel is to scrutinise and challenge on behalf of customers the company’s performance against its New Deal business plan, including its performance commitments and Board Pledges to ensure that the company delivers on the promises it has made to customers.

Through our work and public meetings both the Panel and customers have been able to question the company’s executive team directly about areas which concern them, giving customers a different level of engagement and a genuine voice.

We have held virtual and face to face sessions where customers have had the opportunity to attend and raise the questions that are important to them.

South West Water has provided the Panel with reports, information and assurance associated with its annual performance.

We are also pleased to recognise the company’s working relationship with the Panel has been in our judgement open, transparent, and productive. The Panel welcomes the efforts the company are making in helping us maintain and strengthen our ability to independently scrutinise and challenge their performance, to be robustly informed and able to cross question the CEO and other senior executives and so to meet the Panel’s objectives and expectations during the year to hold them to account on behalf of customers.

The Panel looks forward to continuing to provide independent challenge to the company, and assurance to the South West Water Board to help steer the direction of the company in meeting the promises it has made to customers.

## South West Water performance summary

✓ 10

### Area of Excellence

Where performance has significantly exceeded our commitment and we believe the level of performance is sustainable based on measures taken and programmes underway.

✓ 14

### Outperformance

Where performance has demonstrably exceeded our commitment and we will continue to work to maintain outperformance.

○ 11

### On track

Where performance has met or slightly exceeded our commitment (and one within the regulatory deadband) and the Board remains confident commitments will be met in future years.

✗ 7

### Marginal underperformance

Where the Board believes the Company has plans in place to bring performance back within committed levels quickly.

✗ 2

### Area of focus

Where the Board acknowledges significant work is required to achieve committed performance levels and is implementing published Executive-led improvement plans overseen by the Board with more frequent reporting to regulators and other stakeholders.

# Priorities for 2022/23

## Priorities for the coming year

- 1 Supporting customers – affordability
- 2 Environmental leadership
- 3 Performance commitments
- 4 Preparing for the 2025-2030 Business Plan

## Important dates

20 July 2022  
**Customer Annual General Meeting**

4 October 2022  
**Public Meeting**

13 December 2022  
**Public Meeting**

22 March 2023  
**Public Meeting**



## Have your say

You can tell us what you think and have your say by asking us a question at

[www.southwestwater.co.uk/about-us/watershareplus/meeting/](http://www.southwestwater.co.uk/about-us/watershareplus/meeting/)

or [www.bournemouthwater.co.uk/about-us/watershareplus/watershare-public-meeting/](http://www.bournemouthwater.co.uk/about-us/watershareplus/watershare-public-meeting/)

## Appendix 1.

# Your WaterShare+ Customer Advisory Panel



**Lord Matthew Taylor**  
Chair

Lord Matthew Taylor was Member of Parliament for Truro and St.Austell from 1987 until he stood down in 2010. He is an acknowledged expert in sustainable development, advising successive Governments of all types on improving national planning and housing policy. Alongside advising Government, Matthew runs his own consultancy business as a strategic advisor on achieving more sustainable outcomes on a significant number of major sustainable new 'garden community' projects across the UK.

Following a decade of working in the water sector as a Non-Executive Director at South West Water, focused on improving customer and environmental outcomes, Matthew continues to champion these interests by holding the company to account as the independent WaterShare+ Chair.



**Mark Duddridge**

Mark is currently the Chair at Cornwall and Isles of Scilly LEP and an associate Non-Executive Director of the Cornwall Partnership NHS Foundation Trust. He has held several senior leadership roles in regional businesses, such as Samworth Brothers, Ginsters and Roddas.



**Adrian Bratt**

Adrian is a commercial lawyer and qualified governance professional. He joined Princess Yachts in 2017 to provide legal, compliance and governance advice across the business operations within the UK and internationally. Prior to this he worked at a large national private practice law firm for 10 years where he acted predominantly in the manufacturing, retail, and energy sectors for major national and multinational PLCs.



**Nick Buckland OBE**  
Vice Chair

Nick continues to champion the needs of customers having successively chaired the previous independent WaterShare and WaterFuture Panels, overseeing and challenging delivery and development of South West Water's business plans.

Nick brings a wealth of experience to the role, he is an experienced and highly regarded leader, chair, and board member.



**Carole Theobald**

Carole has worked in the public and charitable sectors in Cornwall for more than 18 years. Carole is currently the Chief Executive at SightCornwall, a leading sight loss charity supporting more than 4,000 people each year and Non-Executive Member of the NHS Cornwall and Isles of Scilly Integrated Care System for quality, citizen engagement and equalities.

Carole is a highly versatile senior leader with a wealth of experience in customer advocacy.



**Richard Lacey**

For the last five years, Richard has chaired the Bournemouth Water Customer View Group ensuring that the company delivers against its promises, he was instrumental in ensuring services to Bournemouth Water customers were not impacted when South West Water acquired the company in 2016. Richard continues to ensure that Bournemouth Water's customer needs are considered on the WaterShare+ Customer Advisory Panel.

Richard is a Chartered Civil Engineer with a lifetime's experience in the Water Supply Industry both in the UK and overseas, where he has held both Executive and Non-Executive Directorships in water companies.

## Appendix 2.

# South West Water Performance Summary

South West Water has a range of outcome targets which apply across its South West and Bournemouth areas. These targets are based upon extensive research identifying key customer and other stakeholder priorities.



### Key

- Area of excellence
- Outperformance
- On track
- Marginal underperformance
- Area of focus

South West Water has met, exceeded or is within the regulatory deadband/tolerance for 35 of its 44 performance commitments, however there are a number of areas of focus where plans have been developed to ensure performance commitments are achieved in future years.

South West Water's Board has categorised the 35 commitments it has met or exceeded (or within regulatory tolerance) as either areas of excellence, outperformance or on track as defined below.

The remaining nine commitments have been classified by the Board as either marginal underperformance or areas of focus. The Board is targeting achieving all commitments by the end of the 2020-2025 regulatory period.

### How we're doing

10

#### Area of Excellence

Where performance has significantly exceeded our commitment and we believe the level of performance is sustainable based on measures taken and programmes underway.

14

#### Outperformance

Where performance has demonstrably exceeded our commitment and we will continue to work to maintain outperformance.

11

#### On track

Where performance has met or slightly exceeded our commitment (and one within the regulatory deadband) and the Board remains confident commitments will be met in future years.

7

#### Marginal underperformance

Where the Board believes the Company has plans in place to bring performance back within committed levels, this includes areas of the EPA where the target has been missed.

2

#### Area of focus

Where the Board acknowledges significant work is required to achieve committed performance levels and is implementing published Executive-led improvement plans overseen by the Board with more frequent reporting to regulators and other stakeholders.

## Water

# 8 of 10

### TARGETS MET/ON TRACK

#### Clean, safe and reliable drinking water

- Water supply interruptions
- Mains repairs
- Unplanned outage
- Taste, smell and colour contacts\*
- Efficient delivery of the new Alderney WTW
- Water quality compliance (CRI)\*
- Efficient delivery of the new Knapp Mill WTW\*\*

#### Available and sufficient resources

- Water restrictions placed on customers
- Leakage
- Per capita consumption

## Wastewater

# 7 of 9

### TARGETS MET/WITHIN REGULATORY DEADBAND

#### Reliable wastewater services

- Internal sewer flooding
- Sewer collapses
- External sewer flooding incidents
- Sewer blockages
- Odour contacts from wastewater treatment works
- Treatment works compliance\*
- Total wastewater treatment works (WWTW) compliance\*
- Descriptive compliance\*\*
- Compliance with sludge standard\*

## Customer

# 6 of 8

### TARGETS MET

#### Responsive to customers

- D-MeX
  - Operational contacts resolved first time – water
  - Operational contacts resolved first time – wastewater
  - Customer satisfaction with value for money
  - British Standard for Inclusive Service Provision
  - Overall satisfaction of services received on the PSR
  - Priority services for customers in vulnerable circumstances
- #### Sub-measures
- Priority services for customers in vulnerable circumstances – reached
  - Priority services for customers in vulnerable circumstances – actual contacts
  - Priority services for customers in vulnerable circumstances – attempted contacts
- C-MeX

# 4 of 4

### TARGETS MET

#### Fair charging and affordable bills for all

- Installation of AMR meters
- Number of customers on one of our support tariffs
- Voids for residential retail
- Percentage of customers who find their water bill affordable

## Environment

# 3 of 6

### TARGETS MET

#### Protecting the environment

- Biodiversity – enhancement
- Biodiversity – compliance\*
- Biodiversity – prevent deterioration
- Pollution incidents\*
- Number of pollution incidents cat 1-3 (water only)\*
- EPA\*

## Resilience

# 5 of 5

### TARGETS MET

#### Resilience

- Resilient water and wastewater services on the Isles of Scilly
- Resilience in the round – wastewater
- Resilience in the round – water
- Risk of sewer flooding in a storm
- Risk of severe restrictions in a drought

## Community

# 2 of 2

### TARGETS MET/ON TRACK

#### Benefitting the community

- Bathing water quality
- Abstraction incentive mechanism\*\*

\* Calendar Year Incentive

\*\* Two performance commitments have no commitment for 2021/22 but are on track for future years' commitments

\*\*\* Descriptive compliance was not achieved this year, but is within the regulatory deadband and is considered 'on track' for future years.

## Appendix 3.

# Glossary

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### AMP

Asset Management Plan period

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### Company

South West Water

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### CCW

The Consumer Council for Water

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### EA

The Environment Agency

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### New Deal

South West Water's Business Plan for the period 2020-2025

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### Ofwat

Water Services Regulation Authority – the economic regulator of the water industry

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### Panel

The WaterShare+ Customer Advisory Panel

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### Performance Commitments

Performance measures set by Ofwat in the PR19 Final Determination

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### PR19

Price Review 2019

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### Performance Commitment descriptions

#### Taste, smell and colour contacts

The number of times the company is contacted due to the taste and odour of drinking water, or due to drinking water not being clear, reported per 1,000 population.

#### Water restrictions placed on customers

This performance commitment measures the number of drought restrictions that the company puts in place for each year of the period 2020-25.

#### External sewer flooding incidents

The performance commitment will be reported as the absolute number of the company's external sewer flooding incidents per year including incidents caused by severe weather.

#### Sewer blockages

The total number of sewer blockages on the company's sewer network (including sewers transferred in 2011) reported on a reporting year basis.

A blockage is an obstruction in a sewer which causes a reportable problem (not caused by hydraulic overload), such as flooding or discharge to a watercourse, unusable sanitation, surcharged sewers or odour.

#### Odour contacts from wastewater treatment works

The total number of contacts from customers about odour from the company's wastewater treatment works measured on a reporting year basis.

#### Descriptive compliance

The percentage of compliant wastewater treatment works operating under 'descriptive' discharge consent limits as set and assessed by the Environment Agency.

#### Total wastewater treatment works (WWTW) compliance

The purpose of this performance commitment is to incentivise the company to manage its wastewater treatment services such that it is fully compliant with the numeric and descriptive discharge standards set by the Environment Agency.

Sewage treatment works are a mix of larger sites with regulatory sampling, covered by numeric consent standards and smaller sites covered by descriptive consents.

### Compliance with sludge standard

The overall percentage of company sludge satisfactorily used or disposed of in line with version 3 of the Environment Agency's Water and Sewerage Company Environmental Performance Assessment (EPA) methodology (published November 2017), which includes compliance with certain environmental laws and industry agreements in effect at the date of final determination, including:

- The Sludge (Use in Agriculture) Regulations 1989;
- Environmental Permitting (England and Wales) Regulations 2010; and
- Water company voluntary compliance with the Safe Sludge Matrix.

### Resilience in the round – wastewater

The measure relates to the ability to protect and quickly recover treatment processes at wastewater treatment works in the case of extreme weather events. It is measured as the number of resilience action plans put in place for wastewater treatment works.

Resilience action plans will be developed for key wastewater treatment works and assets, which are defined as those most at risk of flooding according to Environment Agency flood risk maps. These are sites within the 1:1000 extreme flood outline, as published by the Environment Agency.

### Resilience in the round – water

The number of properties affected by unplanned interruption to supply of greater than 12 hours duration.

### Operational contacts resolved first time – water

The percentage of wholesale water operational customer contacts that are resolved first time. Calculated as 100% minus the number of wholesale water operational contacts which the audited South West Water system and process records as a repeat contact from the same customer on the same issue as a proportion of all wholesale water operational contacts.

### Operational contacts resolved first time – wastewater

The percentage of wholesale wastewater operational customer contacts that are resolved first time. Calculated as 100% minus the number of wholesale wastewater operational contacts which the audited South West Water system and process records as a repeat contact from the same customer on the same issue as a proportion of all wholesale wastewater operational contacts.

### Customer satisfaction with value for money

The percentage of household customers satisfied, very satisfied or extremely satisfied with the value for money of South West Water's services in the reporting year, as measured through the company's customer satisfaction tracking survey.

### British Standard for Inclusive Service Provision

This measure assesses the quality of the Priority Services scheme via the British Standard for Inclusive Service Provision certification BS 18477. To meet its targets for this performance commitment the company must achieve the BS 18477 standard in 2020-21 and maintain the standard thereafter. South West Water meets this performance commitment if it has in place on the 31 March of the assessment year a BSI certification for standard BS 18477. If certification from BSI is not in place on 31 March of the reporting year, the performance commitment is reported as not achieved or not maintained (depending on prior year performance).

The performance commitment applies each year, and demonstration that the certification is in place must be tested and reported each year. BS 18477 certification is awarded by BSI Group (also known as the British Standards Institution).

In the event that BSI Group cease providing certification for BS 18477 during the period 2020-25 the company should adopt any standard designed to directly succeed the existing standard. If one is not available, it will assess whether there exist other appropriate standards that can be used as an alternative independently assessed indicator of the quality of support for customers in vulnerable circumstance.

### Overall satisfaction of services received on the PSR

This performance commitment measures the percentage of customers who receive services through the PSR that are satisfied, very satisfied or extremely satisfied with the services that they receive.

Respondents will be asked if they have relied on PSR services, and if so, the last use and frequency of use of the services in general. For those that have used PSR services in the last two years, they will be asked their satisfaction with those services.

The survey will have a total sample size of 275 to 325 (225 to 250 in the South West Water region and 50 to 75 in the Bournemouth Water region) and quotas set for age, gender and socio-economic group.



The survey will be conducted by independent third party market researchers and in compliance with the Market Research Society Code of Conduct.

#### **Number of pollution incidents cat 1-3 (water only)**

The number of incidents of contaminants flowing into the water environment from water pipes and equipment. These pollution incidents are defined as Category 1 to 3 by the Environment Agency (EA) according to the environmental impact of the incident.

#### **Biodiversity – Compliance**

The number of pollution incidents that occur in special wildlife conservation areas. This measure only considers Category 1 or 2 pollution incidents as defined by the Environment Agency.

#### **Biodiversity – Prevent deterioration**

This measures the number of installations that have been delivered to prevent or control the spread of invasive non-native species (INNS) at South West Water sites. INNS are any non-native animals or plants that have the ability to spread causing damage to the environment, the economy, our health and the way we live.

Alongside the requirements under the Water Industry National Environment Programme (WINEP), the company will agree with the Environment Agency the sites and facilities to be installed at those sites to maximise the effectiveness of the investment.

#### **Biodiversity – Enhancement**

The performance commitment is defined as the hectares of the 'Upstream Thinking' project catchments that are under active improved catchment management as part of 'Upstream Thinking' project interventions.

The active improved management area is defined as:

- Active plan areas – land within Upstream Thinking farm plans which have actions being carried out
- Areas of habitat improvement not in farm plans – for example Mires and Culm grassland projects
- Other Upstream thinking actions not in farm plans – for example areas of land which have been improved by use of the Upstream thinking sub-soil equipment.

#### **EPA**

The Environmental Performance Assessment (EPA) is carried out by the Environment Agency each year and is used to derive a rating to compare companies. It is defined in the following guidance for PR19 – Water & Sewerage Company Environmental Performance Assessment (EPA) Methodology (version 3). Published November 2017 by the Environment Agency.

#### **Bathing water quality**

The purpose of this performance commitment is to incentivise the company to improve water quality at the beaches designated for swimming within its region, in line with its Water Industry National Environment Programme (WINEP) commitments.

This performance commitment will measure the number of beaches at which bathing water quality classification has improved relative to WINEP requirements. The company's WINEP programme obliges it to improve bathing water quality classification at eight additional beaches by 31st March 2025.

#### **Abstraction incentive mechanism**

The abstraction incentive mechanism (AIM) reduces abstraction of water at environmentally sensitive sites when flow or levels are below an agreed point otherwise known as a trigger. The trigger point is based on a level or flow, below which the AIM is considered to be "switched on". This trigger will usually be related to the point at which damage is caused and is intended to prevent this from happening or ameliorate the negative impacts.

The company has included one site for the period 2020-25: Otter Valley: This site is a groundwater source in the Otter Valley, East Devon the trigger is 99.8 mAOD measured from Woodbury common #2. The baseline is 7.2 MI/d and the commitment for the period 2020-25 is to improve performance by reducing abstraction by 1 MI/d by 2025.

#### **Installation of AMR meters**

The number of Automatic Meter Read (AMR) meters installed each year, measured on a reporting year basis. An AMR meter is deemed to have been installed when the meter type has been changed to an AMR type for a property on the company meter asset register.

### **Number of customers on one of our support tariffs**

The number of customers receiving financial support, which is measured by the number of customers that receive one of South West Water's support tariffs.

The support tariffs are the WaterCare Tariff and the WaterSure Tariff, however if the company introduces additional support tariffs during the period they will also be included for the purposes of this performance commitment.

If a customer is in receipt of more than one of South West Water's support tariffs, the company should ensure that such a customer is only included/counted once for the purposes of this performance commitment.

### **Voids for residential retail**

This is the number of household properties classified as void as a percentage of the total number of household properties served by the company. Void properties are defined as chargeable premises which are recorded as vacant with no charges levied.

### **Percentage of customers who find their bill affordable**

The percentage of customers that have an affordable bill, as measured by the ratio of equivalised household income (after housing costs) to combined bill (inclusive of water and wastewater services). Equivalised income is a measure of household income that takes account of the differences in a household's size and composition, and thus is equivalised or made equivalent for all household sizes and composition.

Households that spend more than 5% of equivalised household income after housing costs on their combined water and wastewater bill are classified as having an unaffordable bill.

### **Efficient delivery of the new Knapp Mill WTW**

The company is building a new water treatment works at Knapp Mill. The new water treatment works is programmed to put water into supply by 31 March 2027. In the event that the scheme does not proceed or the expected date to put wholesome water into supply is delayed, the company will return a relevant proportion of allowed costs. The remaining costs will be returned through the cost sharing mechanism.

### **Efficient delivery of the new Alderney WTW**

The company is building a new water treatment works at Alderney. The new water treatment works is programmed to put water into supply by 31 March 2025. In the event that the scheme does not proceed or the expected date to put water into supply is delayed, the company will return a relevant proportion of allowed costs. The remaining costs will be returned through the cost sharing mechanism.

### **Resilient water and wastewater services on the Isles of Scilly**

The company is appointed and operating on the Isles of Scilly by 1 April 2020. The company's plan includes an improvement programme on the Isles of Scilly, but this is conditional on the application to have its Instrument of Appointment varied to include the Isles of Scilly being accepted.

### **Water quality compliance (CRI)**

Compliance with statutory obligations set by the Drinking Water Inspectorate which promotes customer confidence that water is clean and safe to drink.

### **Leakage**

Designed to reduce leakage – the percentage reduction of three year average leakage in megalitres per day (ML/d) from the 2019-20 baseline.

### **Per capita consumption**

Per capita consumption is defined as the sum of measured household consumption and unmeasured household consumption divided by the total household population.

### **Mains repairs**

Designed to incentivise companies to appropriately maintain and improve the asset health of the infrastructure and below ground water mains network and demonstrate its commitment to its asset stewardship responsibility.

Measures by the number of mains repairs per thousand kilometres of the entire water main network (excluding communication and supply pipes).

### **Unplanned outage**

This measure is reported as the temporary loss of peak week production capacity (PWPC) in the reporting year weighted by the duration of the loss (in days). Unplanned outage for each water production site is calculated separately and then summed over the reporting year to give a total actual unplanned outage for the water resource zone.

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.

#### **Risk of severe restrictions in a drought**

The percentage of the customer population at risk of experiencing severe restrictions in a 1-in-200 year drought, on average, over 25 years.

#### **Priority services for customers in vulnerable circumstances**

This performance commitment consists of the following criteria:

- The PSR reach: percentage of households that the company supplies with water and/or wastewater services that are registered on the company's PSR;
- Attempted contact: percentage of distinct households on the PSR that the company has attempted to contact over a two-year period;
- Actual contact: percentage of distinct households on the PSR that the company has actually contacted over a two-year period.

To achieve compliance with this performance commitment the reach, attempted contact and actual contact targets should be.

#### **Internal sewer flooding**

The total number of pollution incidents (categories 1 to 3) per 10,000km of sewer length for which the company is responsible in a calendar year.

#### **Risk of sewer flooding in a storm**

This measure will record the percentage of the region's population at risk from internal hydraulic flooding from a 1 in 50-year storm, based on modelled predictions.

#### **Sewer collapses**

Number of sewer collapses per 1000 kilometres of all sewers causing an impact on service to customers or the environment.

#### **Treatment works compliance**

Discharge permit compliance metric, reported as the number of failing sites (as a percentage of the total number of discharges) and not the number of failing discharges.

#### **C-MeX**

This performance commitment is designed to incentivise companies to improve the experience they provide to residential customer A company's C-MeX score is calculated as the weighted average of customer satisfaction (CSAT) scores from customer service (CS) and customer experience (CE) surveys.



**South West**  
Water



**Bournemouth**  
Water