



# 5 years, 5 pledges

**Summary of our business  
plan for 2020 to 2025**

September 2018



# At a glance: 5 pledges for 2020 to 2025

Water is an essential part of almost everything we do. Our job is to provide a safe and plentiful supply of water today, and plan ahead for tomorrow.

Our business plan includes £130 million of investment over the five-year period which is focused on what you've told us is most important.



## High quality water all day, every day

We'll continue to provide water that reaches the highest quality standards and improve its taste, smell and appearance.

We'll reduce bursts and the chance of your supply being interrupted.

We'll maintain your confidence in our ability to supply you with high quality water all day, every day.



## Fair prices and help when you need it

We'll help more of you struggling to pay your bill.

We'll make sure the extra support we offer is helpful and more people are aware of it.

We'll increase the number of people who feel our service offers good value.

We'll control bad debt and make sure we are billing all those that use our service.



## A service that is fit now and for the future

We'll reduce leakage from our pipes and help you to fix yours.

We'll reduce the risk of you experiencing a supply failure by ensuring all of you can be supplied by more than one of our treatment works.

We'll reduce the risk of your water supply being restricted by a severe drought.



## Excellent service, whenever and however you need it

We'll provide a great service that will ensure you're amongst the most satisfied customers in the UK.



## Support a thriving environment we can all rely upon

We'll cut our emissions, cause no serious pollution and abstract water in a sustainable way.

We'll help you use less water by installing many more meters.

We'll invest to improve the quality of local rivers and improve the biodiversity of the land we own.

# How much will it cost?

From 2020 the average bill will fall by £13 (before inflation) despite increasing our investment in your service to deliver the improvements you want. This means that for around 50 pence a day we'll deliver over £400 of investment per household over the five-year period.



Average bill in 2019:	£200
Minus efficiency and finance savings	- £38
Plus improvement pledges in this plan	+ £25
Average bill in 2025 (before inflation)	= £187
Estimated inflation	+ £20
Amount due each year between 2020 and 2025:	= £207

Account Number: 81LL 1N 2020

Billing date: 1 April 2020

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[CustomerRelations@seswater.co.uk](mailto:CustomerRelations@seswater.co.uk)  
 @SESWater  
 01737 772000  
 Monday - Friday, 8am - 6pm

### How to pay

Pay by credit or debit card online at: [www.seswater.co.uk/paymybill](http://www.seswater.co.uk/paymybill) or Call our automated payment service on: **0800 587 2936**

Available free of charge 24 hours a day, 365 days a year. Please have your account number and bank details to hand.

### Thousands of customers save money by having a free water meter fitted!

Take control of your water use and only pay for the water you use. Apply online at [www.seswater.co.uk/meter](http://www.seswater.co.uk/meter) or give us a call.

- We guarantee you won't pay more for the first two years
- You can trial the meter for two years too
- No disruption to your garden or driveway

We are committed to keeping your bill affordable and stable. That's why it won't rise by £7 in 2020 as we'll spread the average increase across five years:

2020: £201 → 2021: £204 → 2022: £207 → 2023: £210 → 2024: £213

# Your water services today

We supply high quality drinking water to more than

**707,000**

people in parts of Surrey, West Sussex, Kent and south London

**15%** is abstracted from the River Eden and stored in Bough Beech reservoir at Edenbridge

**85%** of our water comes from underground sources beneath the North Downs

On average, each person uses

**147 litres** of water each day

**54%** of our customers have a water meter

We supply **160 million** litres of water each day which can rise to

**260 million**

litres during a hot summer

Our network is made up of **eight water treatment works, 24 pumping stations and 3,500km of pipes**

# How we plan for the future

**It's our job to keep your taps flowing and provide high quality water, now and in the future. To do this we need to plan ahead, anticipate future challenges and opportunities and deliver more of what you want from our service.**

This plan sets out the investment we will make between 2020 and 2025. It will deliver a range of improvements over the five-year period, enhance the environment and increase the resilience of our service for the future. This will be delivered through our five pledges.

## Delivering what matters most to you

Supporting our five pledges are 24 targets that we are committed to achieving by 2025, some of which are 'common performance commitments' which means they can be compared between companies. Many of these have a financial penalty associated with them so if we fail to meet our target, bills will be reduced. Likewise, if we exceed our targets we can expect to receive higher returns. The remainder are classed as 'reputational' and have no financial incentive attached but we still report on progress. Our targets and the outperformance payments and penalties associated with them reflect your priorities.

## Setting bills

Our plan also sets out how much it will cost to deliver our pledges, and the amount customers will pay. Our economic regulator, Ofwat, will assess our plan to determine whether it's appropriate, efficient and delivers value for money. Customer bills will then be fixed for the five-year period.

*Our vision:*

**To be an outstanding water company that delivers service excellence**

*Our values:*



### Service

We put our customers first and take pride in our service delivery.



### Integrity

We are accountable, ethical and trustworthy.



### Innovation

We seek to improve our business, to be forward thinking and to embrace change.



### Commitment

We are passionate about our work, act responsibly and care about quality.



### Collaboration

We are respectful, welcome diversity and support each other to achieve our goals



### Compassion

We care about the effects of our actions and make a positive impact on the community.

# Challenges and opportunities

It is important that we think about how the service we provide could be impacted by the changing world around us. Many things are uncertain, so we must be ready to adapt to whatever the future holds and grasp new opportunities that will help improve our service. This includes:

## Water scarcity

We operate in an area of serious water stress, where there is less rain per person than many Mediterranean countries, so we need to make the water we have go further

## Economic conditions

We need to support you through the ups and downs while continuing to finance our operations and investment

## Climate change

We expect to see more extreme weather like droughts, floods and freezes, so we need to mitigate their impact on our service



## Engaging with customers

Our customers are key to helping us reduce demand, so we need to enhance our communications and behaviour change activity

## Smart technology

We need to progress opportunities to use technology to make our operations smarter and our service better

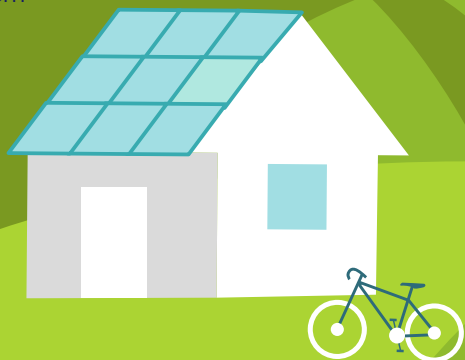


## A growing population

We project that by 2080 there will be 40% more people living in our area, so we need to be ready to supply them

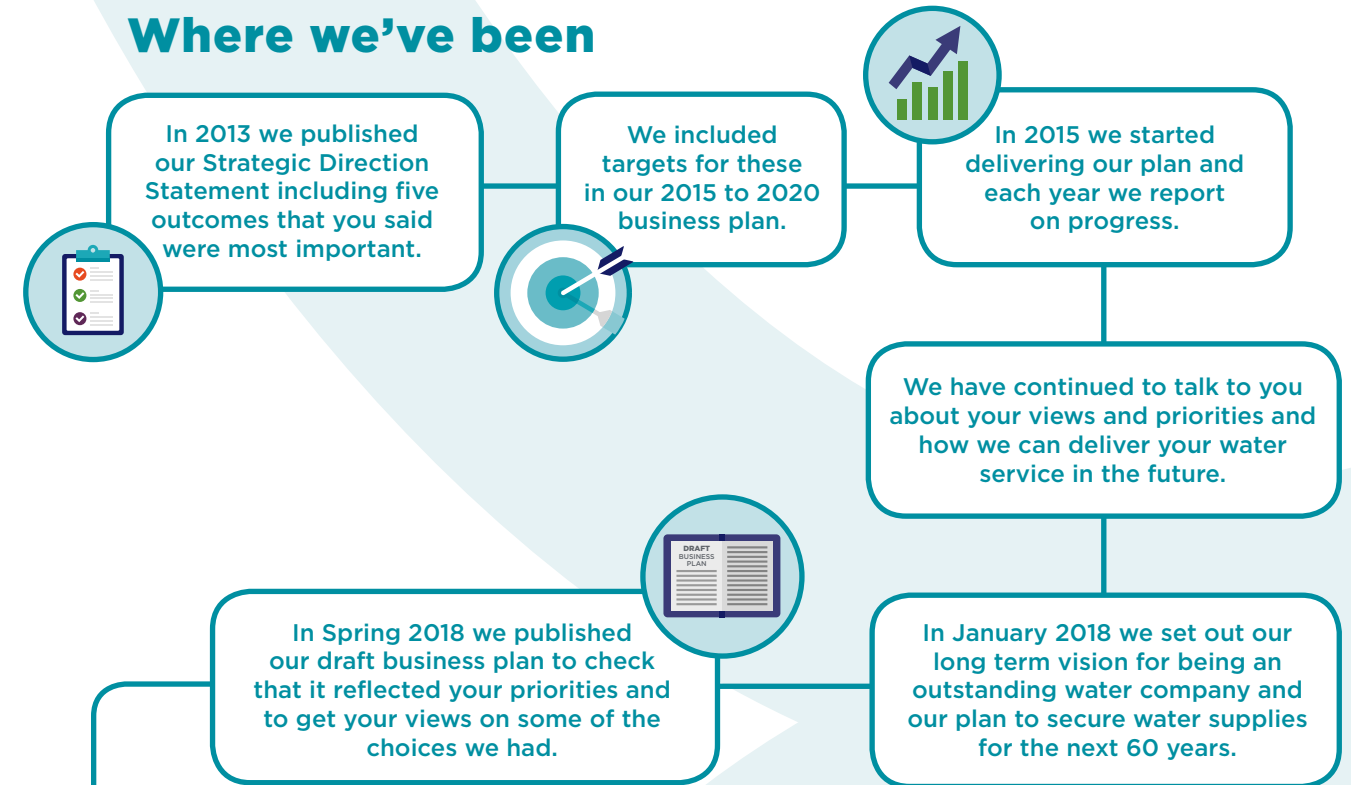
## Protecting our environment

Our water comes from the environment, so we need to improve the quality of the natural sources we rely upon



# Our journey

## Where we've been



## Where we are now



## What happens next

**In April 2020 we'll start delivering our plan.**



# How we are performing today

Since 2015 we have been working to achieve a range of targets to improve the service we provide you. We will continue to work towards achieving these until 2020 and many of them will continue in the 2020 to 2025 period.

	2015/16 performance	2017/18 performance	2019/20 forecast
<b>Provide a reliable and sufficient supply of safe, high quality drinking water</b>			
Supply interruptions over 3 hours (average mins lost per household)	6.3	3.2	2.8
Number of burst mains	212	214	219
Overall water quality	99.95%	99.98%	99.98%
Taste, odour and discolouration contacts	419	365	365
Water softening	On track	On track	Deliver programme
Security of supply index	100%	100%	100%
<b>Offer good value for money and keep bills at a fair and reasonable level</b>			
Proportion of customers who do not think their bill is good value for money	9%	9%	9%
Customers on our Water Support tariff	5,686	8,150	11,451
Bad debt as a % of turnover	0.75%	0.64%	0.64%
<b>Increase the resilience of our network to drought, flood and equipment failure</b>			
Water restrictions	None	None	None
Number of customers supplied by more than one treatment works	36%	36%	56%
<b>Deliver consistently high levels of service</b>			
Customer satisfaction	91.5%	92%	91%
Service Incentive Mechanism (SIM) score	80.8 points	78.7 points	86.1 points
Number of complaints (per 1,000 properties)	10	9.8	6.6
<b>Reduce the impact on the environment while seeking to make a positive contribution to its quality</b>			
Leakage (million litres/day)	24.2	24.2	24.0
Education programme (no. of people)	13,314	9,551	10,000
Litres used per person, per day	161*	147	145
Greenhouse gas emissions (kgCO <sub>2</sub> eq/MI)	470	376	55
Pollution incidents	2	2	0
National Environment Programme projects	0	0	14

\*This figure was calculated using a different method to subsequent years

# How we've listened to your views

We are a customer-focused company and we are constantly listening to what you tell us and using it to improve the service we deliver. In developing this plan, we have spoken to more of you than ever before using a range of different research techniques and engagement activities, as well as day-to-day contact data to help us understand what matters most to you and develop a plan that delivers it.

	PHASE 1	PHASE 2	PHASE 3
	<b>Listen, learn and inform</b>	<b>Test and review</b>	<b>Seeing the full picture</b>
<b>Bespoke activity</b>	Qualitative pre-tasked workshops with: <ul style="list-style-type: none"> <li>Household customers</li> <li>Business customers</li> <li>Future customers</li> </ul> In-home interviews with a mix of vulnerable customers	Co-creative workshop with household customers  Future customer workshop at Bough Beech Treatment Works  Vulnerable customer research through existing community support groups, including a foodbank  In-depth stakeholder interviews  Willingness to pay research with household and business customers	Draft plan acceptability research with household and business customers  Social tariff co-design sprint and customer workshops about vulnerability  Interviews with community representatives  Research into the acceptability of a small company premium
<b>Business as usual insights</b>	Complaints root cause analysis  Quarterly domestic customer tracker survey	Ofwat SIM survey  Customer feedback through our billing system	Shadow SIM survey data  Supply chain partner research
<b>Channels</b>	Talk on Water branded website pages  Public consultation on our Long-Term Vision	Public consultation on our draft Water Resources Management Plan  Online customer community forum  Media and social channels	Public consultation on our draft Business Plan  Online customer community forum  Community events  Media and social channels

# What matters most to you?

## PHASE 1 - YOU SAID:

### Get the basics right

- High quality water is your top priority
- Great service from a local call centre
- A reliable and resilient service now and in the future
- Reduce the number of burst pipes
- Communicate clearly when problems happen
- Serious pollution is unacceptable
- Bills and tariffs should be fair
- Leakage level is unacceptable even if the annual target is met

### Go further in some areas

- Embrace smart technology
- Help customers take control of their water use and bill
- Work with schools to engage the next generation
- Provide a range of support to help cut usage
- Be future-focused to address climate change and environmental concerns
- Innovate to develop sustainable and resilient supplies
- Recycle more water and incentivise people to use less

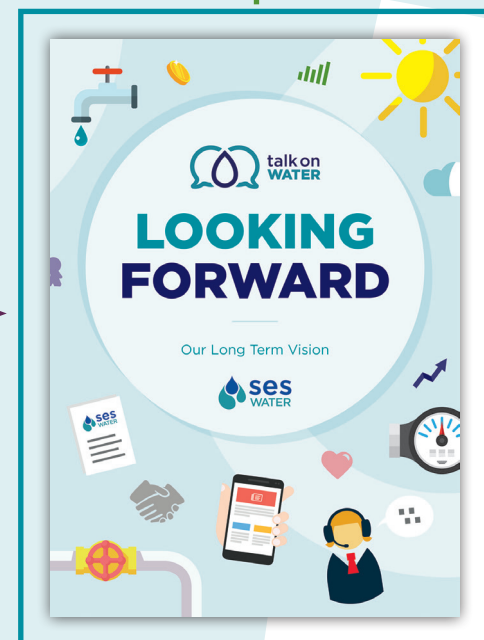
## PHASE 2 - YOU SAID:

### You care about

- Water being high quality and it must taste, smell and look great
- Unplanned interruptions to supply longer than three hours
- Reducing risk of droughts by investing in infrastructure, leakage and behaviour change
- Metering - it's acceptable, but must be well supported and incentivised
- Educating customers about water
- Experiencing an easy, responsive customer journey

### You are willing to pay for

- Service improvements that will protect all homes from the risk of supply failures
- Reducing supply interruptions and leakage
- The wider roll-out of our metering programme
- Our local contact centre
- Education and water efficiency activity - but be mindful of appetite to pay more



## PHASE 3 - YOU SAID:

More than three quarters of you (76%) accepted our proposed pledges and performance commitments

Many of you (42%) said we should go further to reduce leakage by 15% and over a third of you (36%) said to do more to cut usage by 8%

Over half of you (54%) were willing to pay a £6 supplement to help fund a 50% bill discount to 25,000 eligible customers but 46% of you said we should offer financial support to fewer people

The majority of you (82%) were willing to pay a little more to be served by a small company

**Five pledges to our customers**  
**24 performance commitments**



# At the centre of our plan are four key themes

## Great service

Our vision is to provide service excellence. Our five pledges are supported by 24 targets that address your priorities and will deliver a great service experience across our business, now and in the future.



High quality water all day every day



Service at a fair price and offer help when you need it



A service that is fit now and for the future



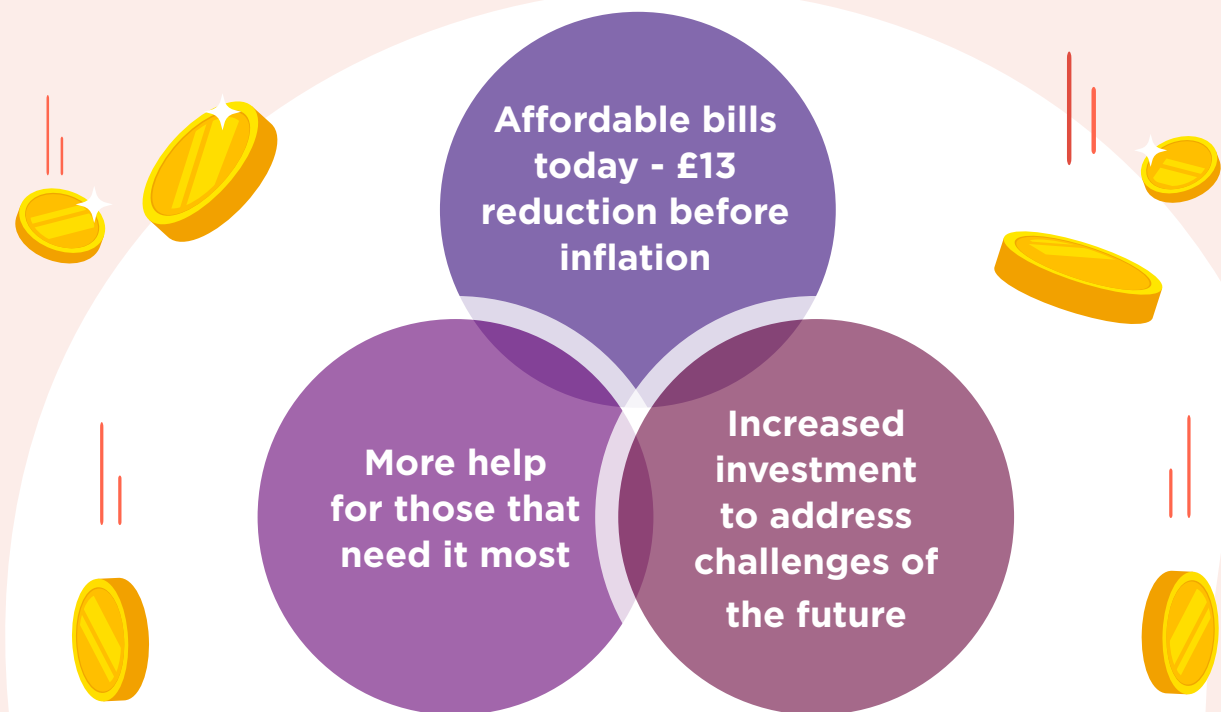
Excellent service, whenever and however you need it



Support a thriving environment we can all rely upon

## Affordability

Our plan makes sure water remains affordable for all - now and in the future.



## Resilience

Our plan addresses operational, financial and corporate risks to mitigate their impact on our service to you.



## Innovation

Our plan incorporates new and innovative ways of doing things that are better than before and will help us provide you with a better service. Innovation is delivered by:

Culture	Strategy	Collaboration	Financing
supportive and empowering	prioritised, focused and one-step ahead	partnerships and openness	sufficient and sustainable

# Our pledge

We'll provide you with high quality water all day, every day

## We will...

	Our target by 2025 is:
Provide high quality water*	To keep water quality at industry leading levels, as measured by the Drinking Water Inspectorate's Compliance Risk Index
Maintain our industry leading position of having the fewest contacts from customers about their water quality	To receive no more than 0.5 contacts per 1,000 customers about the taste, smell or appearance of their water
Reduce interruptions to supply (longer than 3 hours)*	To reduce to an average of 2.1 minutes lost per customer, per year
Reduce the number of burst water mains*	To reduce to 57.8 bursts per 1,000km of water mains
Maintain customer confidence	90% of customers are confident that we can provide reliable and safe water

\*This is a common performance commitment specified by Ofwat that all water companies must include in their plans

## How we'll do it

We'll replace more of our oldest and less reliable pipes with new ones that will last for generations to come.

We'll develop 'intelligent' networks that can alert us to problems so we can re-route water to keep you supplied all the time.

We'll meticulously plan routine work on our network to ensure that the quality of water is not affected.



# Our pledge

We'll provide your service at a fair price and offer help when you need it

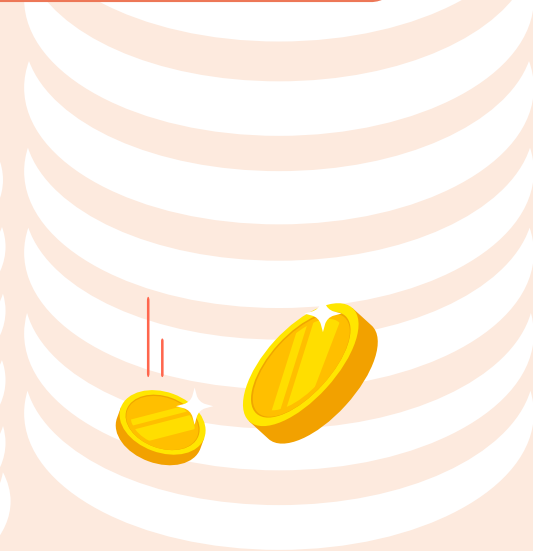
## We will...

	Our target by 2025 is:
Help more customers facing financial difficulty	For 19,000 eligible customers to be on our Water Support Scheme which provides a bill discount
Increase awareness of our support for vulnerable customers	For 58% of our customers to be aware of our Helping Hand Scheme and Priority Services Register
Provide support for vulnerable customers that helps them	For 80% of customers to feel that the extra services we offer are helpful
Deliver value for money	For no more than 10% of customers to feel that their bill does not offer good value for money
Control bad debt	For bad debt to remain at no more than 0.8% of total annual revenue
Reduce void properties	To ensure that connected properties that are shown as vacant so not billed only account for 2.2% of all properties

## How we'll do it

We'll work with organisations that are experts in this area to help design tariffs and support options that offer the kind of help that's needed.

We'll also do more to make sure that you know how to get help if you need it





# Our pledge

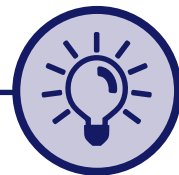
We'll provide you with a service that is fit now and for the future

## We will...

	Our target by 2025 is:
<b>Reduce the risk of supply failures</b>	For 100% of properties to be able to be supplied by more than one of our treatment works
<b>Further reduce our already comparatively low level of leakage*</b>	To reduce the amount of water that is lost each day from our network and your supply pipes by 15%
<b>Manage the impact of severe drought*</b>	For no customer to be at risk of severe supply restrictions such as standpipes or water rationing during a one in 200-year drought
<b>Manage unplanned outages at our treatment works*</b>	An unplanned outage will only amount to 2.3% of our total peak week production capacity

\*This is a common performance commitment specified by Ofwat that all water companies must include in their plans

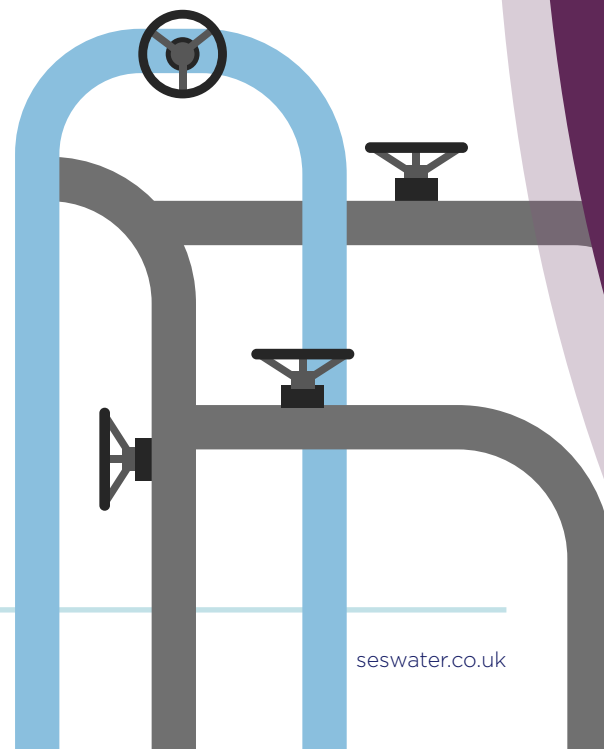
## How we'll do it



We'll invest in new technology that can help find and fix leaks quicker.

We'll complete our plan to lay more pipes so water can be moved around our network more easily.

We'll keep modernising the facilities and equipment at our sites to reduce the risk of breakdowns.



# Our pledge

We'll provide excellent service, whenever and however you need it

## We will...

	Our target by 2025 is:
<b>Deliver customer satisfaction (C-MeX)*</b>	To achieve upper quartile in the water industry league table
<b>Deliver developer satisfaction (D-MeX)*</b>	To achieve upper quartile in the water industry league table
<b>Reduce the number of times customers have to contact us about the same issue</b>	85% of all customer contacts will be resolved first time

\*This is a common performance commitment specified by Ofwat that all water companies must include in their plans

## How we'll do it



We'll build on all the good work we're already doing by investing in digital technology that puts customers in control of their own account online.

We'll continue to listen to customer and developer feedback and adapt our services accordingly, to ensure we're not only meeting, but exceeding expectations.

We'll keep our customer call centre in the area that we serve to provide a truly local service.

We'll develop our people to ensure we can meet increasing customer expectations.



# Our pledge

We'll support a thriving environment we can all rely upon



## We will...

	Our target by 2025 is:
<b>Generate and use renewable energy to limit the greenhouse gases we create</b>	To limit our emissions to 55kg of CO <sub>2</sub> per million litres of water we supply
<b>Strive to never cause severe pollution to land, air or water</b>	To not cause any category one or two pollution incidents as measured by the Environment Agency
<b>Manage abstraction*</b>	To limit abstraction from two chalk boreholes to an average of 7 million litres or peak of 12 million litres per day when groundwater is low
<b>Reduce household water usage*</b>	To reduce the average amount of water used by each person by 7.3%
<b>Make the land we own more attractive to a variety of plants and wildlife</b>	To achieve and maintain The Wildlife Trusts' Biodiversity Benchmark at three of our treatment works
<b>Improve rivers through the Environment Agency's Water Industry National Environment Programme (WINEP)</b>	To deliver 24 river-based investigation or improvement programmes

\*This is a common performance commitment specified by Ofwat that all water companies must include in their plans

## How we'll do it

We'll work with farmers and landowners to help them reduce their use of pesticides.

We'll work with partners to improve the environment, beyond what we are required to do.

We'll keep using less fossil fuels.

We'll help you use less water through home visits, water-saving devices and online support.

We'll install free water meters in more homes and trial smart meters for some.



To deliver our five pledges we need to be:

**A respected and successful local company that has the confidence of our customers, supports our employees and acts responsibly.**

### We will be a socially responsible business and become more involved in our local community

We'll build a second education centre to engage with more current and future customers

We'll attain the CommunityMark accreditation from Business in the Community

We'll continue to support WaterAid and build on the £1.5million we have already raised

We'll continue to support more local causes through our community investment fund

We'll work more closely with community partners to support customers in difficult circumstances

### We will help our employees be the best they can be

We'll attract, develop and retain the best talent

We'll create a working environment where people thrive and do a great job

We'll identify the skills and expertise needed for the future

We'll reward performance that delivers great service

### We will continue to reduce health and safety incidents

We'll ensure that the safety of our workforce is our top priority

We'll look after the physical health and mental wellbeing of our employees

### We will ensure the way we are owned, financed and run is clear to customers

We'll reduce how much we borrow to fund our investment programme

We'll explain how money returned to shareholders is agreed and linked to performance

We'll increase the transparency of our Board and its governance processes

We'll report on executive pay and bonuses and how they are linked to customer service and performance

### We will operate more efficiently

We'll deliver £21 million of efficiency savings over the five-year period

We'll work smarter - not harder - by examining what we do and how we do it to ensure we're doing it in the most efficient way



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