



LOOKING FORWARD

Our Long Term Vision



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Developing our long-term vision for being an outstanding water company delivering service excellence.

Welcome to 'Talk on Water - looking forward' the next step of our journey to put you at the centre of our decisions about your water services - now and in the future.

Water is essential in all our lives - for health and hygiene, the production of food and power, helping businesses to run and grow and in many recreational activities that we enjoy. It's also an essential part of our natural environment and a home to wildlife which, like you, rely upon it being clean and plentiful.

As a small company we are committed to providing a great local service, not only to you as individual customers, but across the area we serve. We play an important role as a responsible employer, in contributing to the education and well-being of our future citizens and making the area a great place to live, work and visit.

Although compared to most other water companies we are small, as your provider we have a big role to play, not only in delivering water 'on tap' today, but in planning for tomorrow; so you, your communities, our local economy and the environment we share continue to be healthy and prosperous.

To achieve this, we want to talk to you about what you expect from your water services - now and in the future. We're proud of our local heritage and the role we play in the communities we serve, and we want people across our supply area, from different walks of life and with a range of views on water, to take part in developing and delivering our future plans. This includes hearing from future generations about what they will want in years to come.

That's why we've started the most far-reaching and comprehensive programme of engagement in our history and are asking you to 'Talk on Water'.

Our journey

In 2013, we published our strategic direction statement. Since then we have seen lots of change that affects our sector; from the opening of retail competition for businesses to the Brexit vote. We also know customer expectations – quite rightly – continue to rise so we want to make

sure our long-term vision reflects your priorities, which is why we are refreshing it now. Our next business plan (2020-25) will deliver the first five years of our vision and it will be built around the outcomes you want us to deliver. So, this is an important step on our journey.



Strategic Direction Statement published in 2013



Each year we report on our progress



We included targets for these in our 2015-20 business plan



Five outcomes and our vision and values developed with customers



In 2017 we re-branded and became SES Water



'Talk on Water' is your opportunity to tell us what you expect from your water services



In spring 2018 we'll publish our draft business plan which will set out the commitments we will make



In December 2019 Ofwat will confirm the service levels we must deliver and set customer bills for 2020 to 2025



In September 2018 we'll submit our business plan to Ofwat, the industry regulator



We'll ask you for your views on our draft plan to make sure it reflects your priorities

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.



Commitment

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



Integrity

We are accountable, ethical and trustworthy.



Collaboration

We are respectful, welcome diversity and are supportive of each other to achieve our goals.



Innovation

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



Compassion

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

Our business today

We supply **688,000** people in

parts of Surrey, West Sussex, Kent and south London



We supply **160 million**

litres of high quality drinking water to homes and business in our area every day



85% of our water

comes from underground sources beneath the North Downs



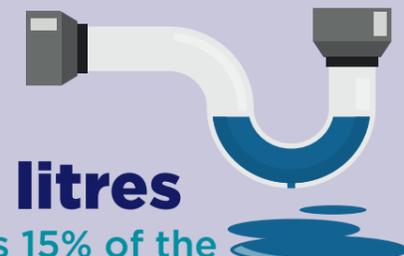
On average our household customers use

160 litres per person, per day

The amount of water lost through leaks is

24 million litres

a day, that's 15% of the total amount of water we treat



54%

of our customers have a water meter



36%

of our customers can be supplied by more than one of our treatment works, protecting them from the risk of supply failures



The average bill for our customers is

£188 per year

or about **50p** per day



Where your money is spent

The average household in our supply area spends **50p a day** on their water. For those experiencing financial

difficulties, we offer a range of options, including our Water Support tariff.



Planning for the future

As we plan it's important that we think about how the services we provide to you could be impacted by the changing world around us. Some things are within our control and others are not.

Where there is uncertainty we must think ahead so we are ready to adapt to meet the challenges and grasp new opportunities, so we continue to provide excellent service.



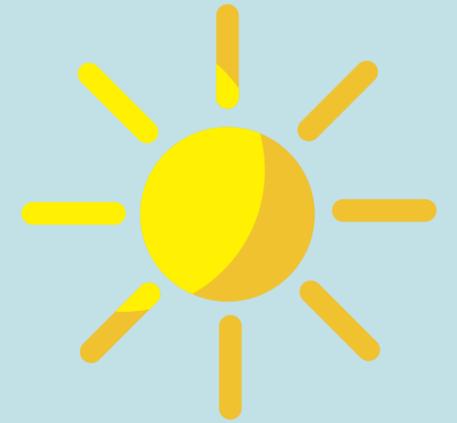
Smart technology

Putting you in control of water you use



Climate change

Supplying water whatever the weather; being ready for droughts and floods



Cyber-crime

Protecting the systems that control our sites and our customers' data



Future workforce

Equipping the next generation with the skills needed to run our business



Water scarcity

Working with others to make the most of our precious resource

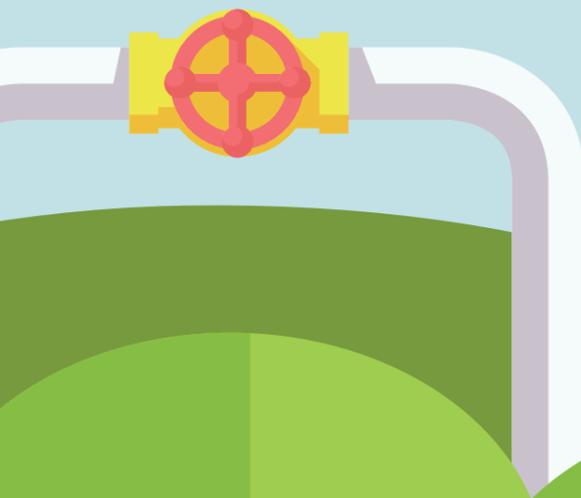


Economic conditions

Supporting you through the ups and downs while continuing to finance our operations and investment

24/7 monitoring

Live information about our pipes for faster detection of leaks and bursts



Powering our operations

Using renewable energy and reducing our carbon footprint



Pollution risk

Protecting our water sources from harmful chemicals

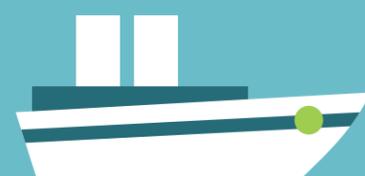
How to engage everyone

Helping children and adults learn about how to use water wisely



Protecting our environment

Improving the quality of the natural water sources we rely on



A growing population

Ensuring there's enough water for more people while encouraging new homes to be more water efficient

How we are meeting these challenges

By 2020 we will have protected more properties from the risk of supply failure by laying more pipes that allow water to be moved around

We have changed the way we develop our long-term plans for water resources, so we are looking 60 years ahead and planning for rare but more severe droughts

We have achieved the Investors in People gold standard by making our company a great place to work which will help us attract and retain new talent

We are working with farmers and landowners in our River Eden and Bough Beech catchment to reduce the amount of pesticides used on crops entering raw water sources

We are helping more of you with financial problems pay your bill with over 6,000 people now on our Water Support tariff

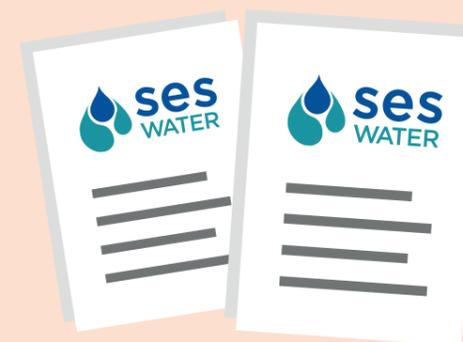
We've reached more than 10,000 of you and your children through our education programme that encourages you to think about the value of water in your lives and take steps to use it more wisely

Developing our vision for the future

It's our job to anticipate the long-term trends and challenges that might affect the service we provide you with. However, it is important that you have a say on what we prioritise and how we go about delivering your service.

As we think about the future four key themes emerge that we think we should focus on to deliver our long-term vision. We're interested to hear what these themes mean to you and how you might help us deliver what matters most to you.

We also want to encourage you to play a more active role in your water services, so we are interested to hear where you'd like to get more involved, for example, saving water in your home or community.



Affordable bills

Making sure water is affordable for all



Great customer service

Providing you with an effortless experience



Innovation

Finding new and different ways to do things so it's better than before



Long-term resilience

Ensuring a reliable service now and in the future

What you have told us so far

Our current business plan (covering the period from 2015-2020) is focussed on delivering

five outcomes that you told us were most important to you:

- 1** Providing a reliable and sufficient supply of safe, high-quality drinking water
- 2** Offering good value for money and keeping bills at a fair and reasonable level
- 3** Increasing the resilience of our network to drought, flooding and equipment failure
- 4** Delivering consistently high levels of service
- 5** Reducing our impact on the environment while making a positive contribution to its quality



Since then we've continued to talk to you about what matters most. We asked a number of you to keep a water diary, listened to what you said through a series of focus groups and some of you took part in a water deprivation task to make you think about what it would be like without water on tap.

You've told us that you expect us to get the basics right:

- Safe, high-quality drinking water
- Great service from a local call centre
- A reliable and resilient water supply now and in the future
- Reduce the number of burst pipes
- Communicate clearly when supply interruptions happen
- Continue to protect rivers and wildlife
- Severe pollution is unacceptable
- Bills and tariffs should be fair
- Ongoing investment - particularly to reduce leaks

You'd like us to go further in some areas:

- Embrace smart technology to help customers take control of their water use and bill
- Continue to work with local schools to engage the next generation
- Provide a range of support to reduce water usage including advice, devices and apps
- To be future-focused to address climate change and environmental concerns
- Innovate to develop sustainable and resilient water resources for the future
- Recycle more water and incentivise people who use less

Investing in the future

We want to keep bills as low as we can and make sure they remain affordable over the long-term.

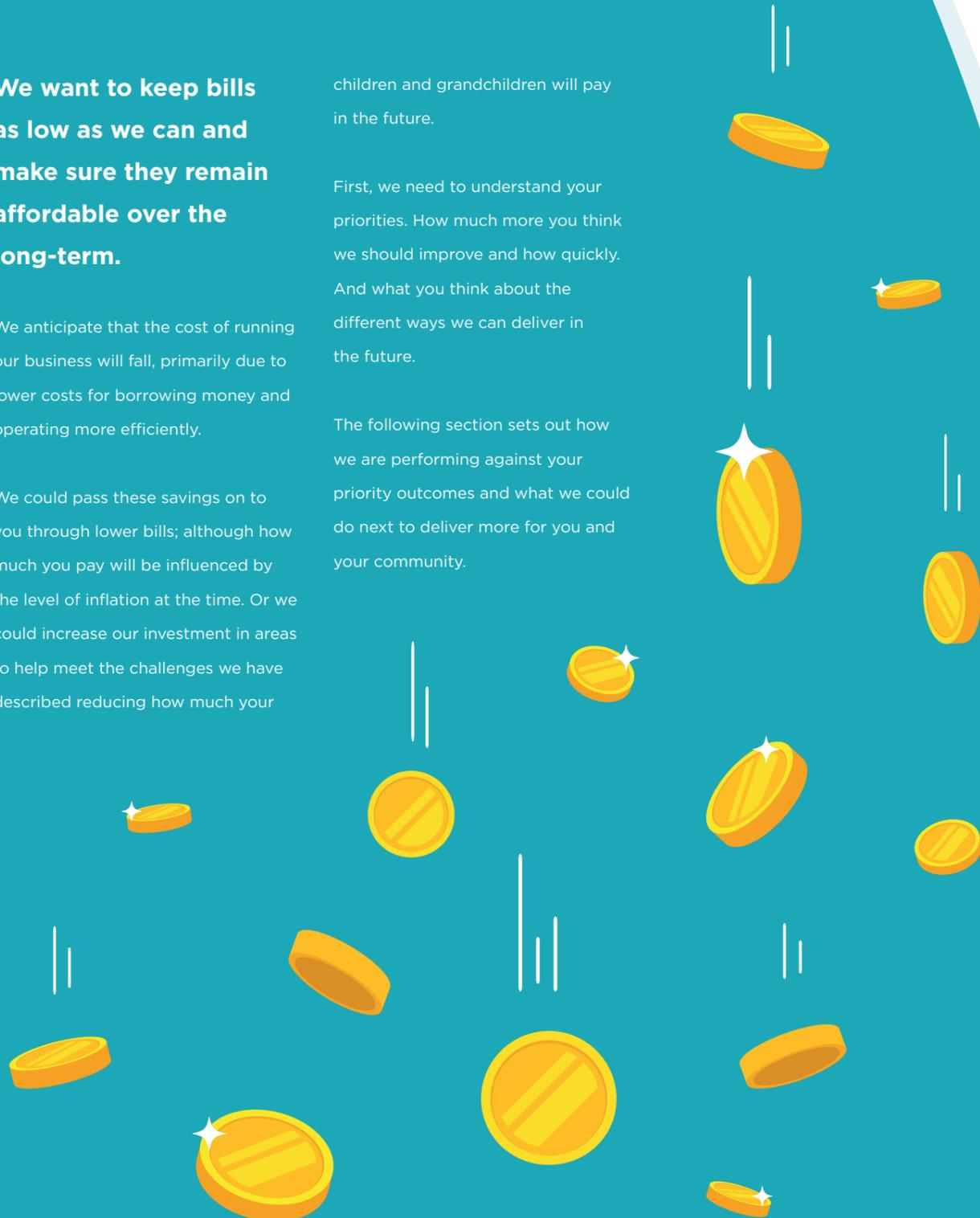
We anticipate that the cost of running our business will fall, primarily due to lower costs for borrowing money and operating more efficiently.

We could pass these savings on to you through lower bills; although how much you pay will be influenced by the level of inflation at the time. Or we could increase our investment in areas to help meet the challenges we have described reducing how much your

children and grandchildren will pay in the future.

First, we need to understand your priorities. How much more you think we should improve and how quickly. And what you think about the different ways we can deliver in the future.

The following section sets out how we are performing against your priority outcomes and what we could do next to deliver more for you and your community.



Outcome 1

Providing a reliable and sufficient supply of safe, high quality drinking water

Where are we now?

Interruptions to supply due to planned work on our network or emergency repairs of burst mains have been reduced to an average of around 4 minutes per household per year, which is ahead of our target and better than the industry average of around 10 minutes.

Last year we had 230 bursts on our network, much better than our target of 290.

Our water quality reached 99.98% compliance, falling slightly below our target of 100% but above the industry average of 99.96% and within the regulator's expectations.

We have reduced the number of times you contacted us about taste, odour and discolouration from 419 to 375 last year but missed our target of 350.

We are on-track to deliver our programme to soften water from hard water sources.

We achieved 100% for our security of supply which is a way of monitoring if our water resources can meet demand.

What could we do next?

Continue to reduce supply interruptions caused by our planned work by investing in new technologies that mean we shouldn't need to temporarily cut your water off.

Do more to reduce the chance of pipe bursts that cause unplanned supply interruptions by replacing old water mains.

Reduce bursts further by making our network 'smart' so we can predict where and when problems will occur.

Improve the quality of raw water sources by stopping substances such as pesticides from entering them by working with farmers and landowners therefore reducing treatment costs.

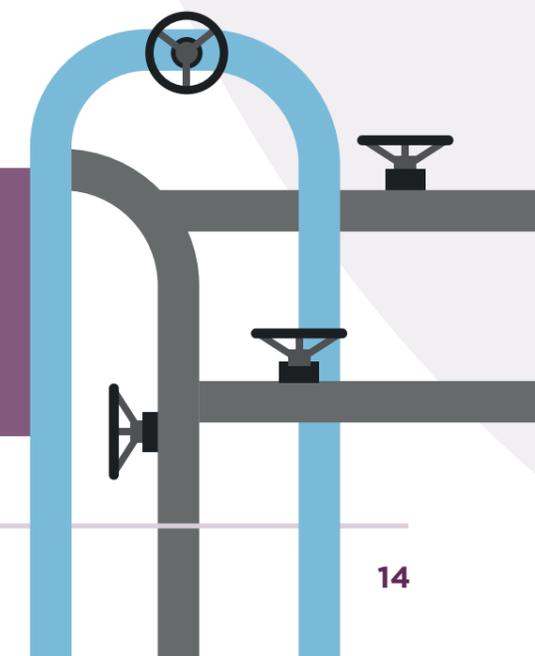
Contribute to a regional plan for water to develop more shared resources and transfers with neighbouring water companies when needed.

What do you think?

We're getting out and about to talk to you about your priorities. Get in touch if you'd like to be involved or have thoughts you'd like to share.

WOW!

Aim for no interruptions to your supply following a burst or when we are carrying out planned maintenance by developing 'intelligent networks' that can automatically re-route water and keep you supplied at all times.



Outcome 2

Offering good value for money and keeping bills at a fair and reasonable level

Where are we now?

Our average water bill is currently £188 per year, in line with the industry average of £185. Nearly 94% of our customers are satisfied that their bill is good value for money.

We are helping more people struggling to pay with over 6,000 customers on our Water Support tariff, putting us ahead of our aim to help 5,000 people.

We are leading the industry in our efforts to reduce bad debt. It currently stands at less than 1% of our income from customer bills, meeting our target which means that our schemes to help people pay their bills are working.

What could we do next?

We could develop a greater range of tariffs to suit customers in different circumstances.

We could work more closely with community support agencies and charities to help reach those of you experiencing difficulties and offer better, more tailored support.

We could join forces with other service providers such as local councils or energy and broadband suppliers to help you manage all your household bills.

What do you think?

We're getting out and about to talk to you about your priorities. Get in touch if you'd like to be involved or have thoughts you'd like to share.

WOW!

Offer a tailored service that uses the information you provide to design a tariff and payment plan that meets your individual needs.



Outcome 3

Increase the resilience of our network to drought, flooding and equipment failure

Where are we now?

Our goal is to avoid any restrictions on people's water use and none have been introduced in the last five years, despite 2016/17 being a dry winter. The last time restrictions were brought in was between April and June 2012 but our planning recognises the statistical risk that we may need to put restrictions in place once every ten years.

At present 36% of our customers can be supplied by more than one treatment works. We are on track to increase this to 56% by 2020 by increasing the capacity of one of our main treatment works and constructing a number of new water mains giving us greater flexibility to move water around the areas we serve.

What could we do next?

Continue to invest in new water mains so that we can serve all of you by more than one water treatment works by 2025, reducing the risk of you losing supply.

Reduce leakage from our network and customers' pipes by 15% by 2025 and target zero leakage by 2050 so more water remains in the environment.

Install meters in 90% of homes by 2030 so you know how much water you are using and can take steps to reduce wastage.

Help reduce household water use to 130 litres per person per day by doing more to assist you to become more water efficient.

What do you think?

We're getting out and about to talk to you about your priorities. Get in touch if you'd like to be involved or have thoughts you'd like to share.

WOW!

Aim for zero leakage by 2050 by using new technology that tells us in "real time" the current condition and performance of our pipes and alerts us to potential problems before they happen.



Outcome 4

Delivering consistently high levels of service

Where are we now?

More than 92% of you are satisfied with our service, ahead of our target.

Our score against the industry Service Incentive Mechanism (SIM) is 80 out of 100, which is below the industry average of 84.

Last year we received 11.3 complaints per 1,000 properties, behind our target of 7.2.

We are investing in improvements to transform and improve our customer-facing services as we know we can deliver a better service to our customers.

What could we do next?

Continue on our transformation plan to improve customer service and aim for 100% customer satisfaction by 2025.

Provide you with more ways to reach us whenever and wherever you need, to make your experience truly effortless.

Fully digitalise our services so you can do everything online if you prefer.

Keep our local call centre within the area we serve as an essential part of our company, close to the customers we talk to.

Be more active in your community, providing information and advice at more local events.

What do you think?

We're getting out and about to talk to you about your priorities. Get in touch if you'd like to be involved or have thoughts you'd like to share.

WOW!

Provide you with smart water meters so you can monitor your usage, control how much you use, be alerted when you are using more than usual and get tips on how you could make savings.



Outcome 5

Reduce our impact on the environment while making a positive contribution to its quality

Where are we now?

We are meeting our leakage target of no more than 24 million litres of water leaking from our pipes and yours each day. This is equivalent to 84 litres being lost for each property we serve, better than the industry average of 121 and one of the lowest levels in the industry.

We have reached thousands of adults and children through our environmental education programme which teaches the value of water.

We are increasing the number of homes with meters and household water use is currently at 160 litres per person per day. This is still above the national average of 141 litres per person per day and many of our neighbouring water companies are now metering 90% of their customers.

We have reduced our greenhouse gas emissions by investing in more energy efficient equipment and generating renewable energy at many of our operational sites.

We had one pollution incident last year where treated water entered a stream when a water main burst – our target is to cause zero pollution.

What could we do next?

Continue to reduce leakage from our network and customers' pipes by a further 15% by 2025.

Carry out more work within our catchments to improve the quality of the sources we rely on so there is less chance that the water we can take from them is reduced in the future.

Become a carbon neutral business by 2050.

Extend our environmental education programme to more of our current and future customers through a small addition on bills.

What do you think?

We're getting out and about to talk to you about your priorities. Get in touch if you'd like to be involved or have thoughts you'd like to share.

WOW!

Create the first energy neutral treatment works in the UK and use it as an education and innovation test centre, enabling our successful environmental education programme to reach more people.



What happens next?

We'd like to know what you think about the future. It's vital we hear a range of views so that we can be sure that we focus on the things that matter most.

Over the next few months we will be talking to many of you about your priorities, how we deliver them and how quickly.

This important feedback will help us develop a number of promises (or performance commitments) for the coming years that together will allow

us to deliver our long-term vision. If there are things that you think are critical then your feedback could lead us to speed up our progress, likewise some things might not matter as much, and we need to hear that too.

Our job is to make decisions about which promises will deliver excellent service in the areas that matter most to you. We will need to make trade-offs along the way as different people will have different views, but we will explain how we have reached the decisions we make in our draft business plan, which we'll share with you in spring 2018.

We would love to hear your thoughts about the future of your water supply

Find out how at
seswater.co.uk/talkonwater