

Wessex Water's

# Annual Performance Report 2023-24



**Wessex Water**  
YTL GROUP

FOR YOU. FOR LIFE.

2023-2024

# Annual Performance Report 2023-24

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*This document is  
part of Wessex  
Water's annual  
review*

*More information  
can be found at  
[wessexwater.co.uk](https://www.wessexwater.co.uk)*

# Introduction

This is one of the documents we publish as part of our annual review. It reconciles the non-statutory financial accounts with the regulatory accounting statements required by Ofwat. The report also gives detailed information on expenditure, costs and performance, including in relation to our performance commitments.

The other documents we publish are:

**Annual review summary – delivering for our customers, community and the environment:** this explains what we have delivered in relation to our purpose. The report includes progress against our key outcomes, including our regulatory performance commitments, as well as an overview of the financial accounts for the year.

**Annual report and accounts:** our statutory year end is 30 June, which is reflected in our latest annual report and financial statements filed at Companies House. Our annual report and accounts, also known as the non-statutory financial accounts, are prepared for the financial year to 31 March.

All these documents are available on our website: [Annual review \(wessexwater.co.uk\)](https://www.wessexwater.co.uk).

We have prepared this annual performance report in accordance with Ofwat's requirements including the Regulatory Accounting Guidelines (RAGs) and IN 24/01 Expectations for monopoly company annual performance reporting 2023-24.

The table below details where we have addressed Ofwat's requirements in separate submissions or publications.

Requirement	Location
Accounting methodology statement	Published on our website
Bioresources market monitoring information	Published on our website
Bioresources market information	Published on our website
Statement on executive pay and performance	Annual Report and Accounts
Long-term viability statement	Annual Report and Accounts
In-period adjustment model	Separate submission to Ofwat
Table commentary – Sections 1 – 9 and 11	Separate submission to Ofwat
External assurance reports – performance commitments	Separate submission to Ofwat
APR table data & rationale for open data approach	Also published on our website and Stream database

We have not included the following tables in this report due to their size:

- Table 4B
- Table 4I
- Table 4L
- Table 4M
- Table 6F
- Table 7B
- Table 7F

## Introduction

We have prepared all tables in accordance with the Regulatory Accounting Guidelines and submitted them to Ofwat. They are published on our website: [Annual review \(wessexwater.co.uk\)](https://www.wessexwater.co.uk/annual-review).

We have not completed tables 2G, 2H, 4S, 4T, 4U or the tables in Section 10 as we are not required to complete these tables.

## Open data

We have published the data tables in an Excel format on our website, together with previous years, so these can be accessed and reused by all. This year, we have extended our release of data to include machine-readable data, which will make it easier for users to consume the data; this is published on the [Wessex Water](#) and the industry's [Stream](#) websites. We continue to play an active role in the Stream initiative; this mutual exchange of ideas will develop our open data capabilities to benefit a wide range of stakeholders.

Since 2019 we have utilised our Wessex Water Marketplace (WWM) to publish challenges and focused datasets with high quality supporting information.

We were pleased to be able to gain approval to publish data in time for go-live of both the proof-of-concept and enduring Stream platform. In the months leading up to publication of datasets, we gave significant input to developing standardised data structures and descriptions and supported industry colleagues with any issues arising in preparing the data itself. We look forward to continuing to be a leading player in Stream as a founding member of its Centre of Expertise.

Stream has been a mutually beneficial partnership. The industry has come together to ensure APR tables and metadata published alongside the tables are in a format that is both consistent and machine readable.

Clear feedback loops, published alongside the APR tables will allow users to comment on or ask questions about the dataset. Data we have already published that underpins some of our performance commitments incorporates the same feedback mechanism, just like other datasets on the Marketplace platform. Comments received will influence the datasets we share in the future and the format in which we share them.

We have ensured an appropriate open data license is prominently incorporated alongside our APR tables that will assist in the free and flexible use and re-use of the data. This aligns with the licensing that is already incorporated into our Marketplace platform to encourage use of the information hosted there.

We have recently published our [Open data strategy](#) and we are pleased that this has the support of the Executive team to help engender the benefits of open data. With several challenges and cost pressures, a sign of clear commitment from the company is to employ an Open data manager. In the coming year, we are keen to develop open data awareness and literacy within the company so that an open data culture is embedded in Wessex Water at every level.

# Risk and compliance statement

## Introduction

The Water Services Regulation Authority (Ofwat) requires the Board to provide an annual Risk and Compliance Statement (the Compliance Statement). The Compliance Statement confirms that the Company has complied with all its relevant statutory, operating licence and regulatory obligations; that it has processes and systems of internal control in place; that it is taking appropriate steps to manage its risks; and that it demonstrates clear leadership, transparency and good governance. The Company is required to report by exception any instances where a regulatory output has not been met and to detail decisions and actions that demonstrate our governance processes.

Our Annual Review, including our annual performance report, details progress on performance commitments, outputs and financial information, including where these have not been met. This information is for our customers, investors and regulators. Our Annual Review is supported by fact but occasional reliance is placed on estimates. These estimates have been made in good faith, based on reasonable assumptions and are clearly stated as an estimate.

## Compliance statement

The Board confirms that it has appropriate and effective assurance process in place and:

- the Board has a full understanding of its statutory, licence and regulatory obligations
- the Board is meeting its statutory, licence and regulatory obligations, but with noted exceptions to regulatory performance commitments outlined in section 3 of this publication. The Company has under-performed in relation to operational measures including sewer flooding and leakage
- the Company has met, in all material respects, relevant regulator and customer expectations as demonstrated by those outputs and service standards set out in its business plan and funded through the Final Determination. Where performance commitments have not been met these are outlined in section 3 of this publication. Material issues and circumstances are noted within the ringfencing certificate within the Accounting Disclosures section of this publication
- the Board is satisfied that the Company has sufficient processes and internal systems of planning and control to fully meet its obligations, or has disclosed any modification or failure to meet such obligations
- the Company has appropriate systems and processes in place to allow the Board to identify, manage and review risks. Principal risks and the appropriate management of them are set out in the Strategic Report in our Annual report and accounts and in the relevant section of the Annual review summary
- the Company follows the Wates principles and meets the requirements outlined in Ofwat's Board Leadership, Transparency and Governance principles
- the Company has sufficient financial and management resources for the 12 months from the date of this report
- the Company has sufficient rights and assets available to enable a special administrator to run the business
- any trade with associate companies was at arm's length and no cross subsidy arose
- Directors' pay is linked to standards of performance as disclosed in the Annual Report and Accounts
- any failure to deliver outputs agreed at the Final Determination has been disclosed within our Annual Performance Review



## Risk and compliance statement

- the Company is compliant with its licence condition on credit ratings
- the Board considered and approved the proposed charges for 2022-23 and the associated assurance statement confirming that the Company had met Ofwat's charging expectations (including Information Notice 21/04) and all regulatory and statutory obligations
- greenhouse gas and carbon reporting complies with Defra, Ofwat and FRC reporting requirements.

## Output review

The Company has 46 performance commitments, of which 44 have targets for 2023-24. In 2023-24, 29 performance commitments met or exceeded targets, with a strong performance on the C-Mex measure and an improving position over a number of performance commitments notably leakage and priority services. We have not met 15 of our performance commitments, most notably on sewer flooding and on pollution incidents. Further detail on our performance commitments is given in the outcomes narrative (section 3).

The Board keeps all outputs and commitments under constant review. Some of the performance commitments in our Final Determination are stretch targets with the potential that the target could not be met in year (or subsequent years). Regular progress reports are prepared for Directors and senior management on progress and mitigation strategies are in place to manage any risk of slow progress or failing to deliver. The Company engages with its regulators where it is foreseen that an output cannot be met. This includes agreeing a future course of action including potential advancement of other outputs. Performance commitments are externally audited each year by the Company's technical auditor.

The Customer Challenge Group represents our key stakeholder groups. It has met four times this year and is chaired by an independent chairman. The CCG review our progress towards our performance commitments each year and formally reports this to our Board. The CCG produced a final report for the Board recommending their support for the performance commitment information that is provided in our Annual Review and Annual Performance Report. This is published on their website.

## Customer experience

The Company regularly monitors its customers' experience by:

- surveying customers after work has been completed at a property to check that they are satisfied; that the problem has been resolved and the work area left clean and tidy. This feedback is displayed in real-time visual dashboards and shared across the business to drive continuous improvement. Our customer care team contact any customer who has given a lower satisfaction score to address their concerns
- inviting customers to leave Trustpilot reviews and all ratings and comments are published on our website
- leaving information cards with all customers we have visited, which include an option to return a hardcopy feedback survey if they have not been able to give their view through any of the channels above
- using a continuous independent image tracker to gather customers' views through telephone interviews on our service now and in the future, including satisfaction; value for money; awareness of services; and other general feedback
- gathering customers' views on different aspects of our service through our online customer panel 'Have your Say'
- the CCG represents the views of our customers and key stakeholder groups and takes an ongoing interest in customer engagement and customer experience. The group provided independent challenge throughout the development of our business plan for 2020-2025 and for AMP8.

## Customer information

The Company satisfies Licence Condition G on providing customer information by regular review of its core customer information. This takes the form of detailed information on our website, complimented by a suite of leaflets covering all key aspects of our work. It includes information on the services we provide, our customer guarantees, how to make enquiries, and explains our complaints procedure.

Our communication process is customer-led and continues to meet Ofwat's requirements for the provision of customer information as detailed in Information Notice 13/04. All information provided to customers and stakeholders is validated to ensure it is accurate, transparent, clear, current and easily accessible. The Company's Assurance Plan (available on our website) supports this, providing details of how we propose to make further improvements.

We consult with the Consumer Council for Water (CCW) to ensure that the information provided meets customer requirements. CCW reviews the nature of the information provided and the way we provide it on an annual basis when our customer charges are revised as well as on an ad-hoc basis when updating any customer information.

## Risk review

Effective management of risk is central to how we can deliver effective and efficient services to our customers and minimise the impact we have on the environment. It is critical that we have a robust risk management framework in which material risks to the business are proactively identified, evaluated, communicated and the appropriate response defined and implemented. The Company's processes are flexible to respond to changes in risk and ensure that the necessary controls and mitigation measures are put in place. Risks are defined as any event that can impede our ability to achieve our objectives. The most significant risks facing us are referred to as 'principal risks'. The Audit and Risk Committee approves the annual audit plan that includes audits around the principal risks.

## Risk process

Risk is identified and managed through a tiered system of groups drawn from operational staff, senior management, executive directors and the Board. The Board reviews and is ultimately responsible for risk and setting the risk appetite and tolerance. Risks have been identified, evaluated and managed in line with our processes throughout the year and up to the approval of the Annual Report and Accounts. Full details of our risk management are available in our Annual Report and Accounts.

Operational staff and senior management review, assess and record asset and operational risks monthly. Risks are scored by assessing probability and impact on a 'five-by-five' scoring mechanism. Risk mitigation plans are recorded and implemented where appropriate and pre-and post-mitigation scores are monitored.

Any identified risk acts as a foundation for the separate corporate risk register. The Risk Management Group maintains and reviews all business risks; the corporate risk register includes strategic, compliance, operational and financial risks, specifically including health and safety and climate change related risks. The Risk Management Group comprises senior managers from across the business. The risks are assessed by subject matter experts and subject to independent challenge from our risk experts. We assess risks based on a range of criteria including their financial, social, and environmental impacts. Risks above our tolerance levels will have additional measures to manage and mitigate the risk exposure.

The Board reviews risk and undertakes an in-depth review every six months. This sets out the risk review process and identifies current and emergent principal risks to the business and the relevant mitigation measures.

## Assurance and Board endorsement of the Risk and Compliance Statement

The Company has a clear focus on its performance reporting and verification procedures. The Risk and Compliance Statement is assured by:

- a clear governance process over output and performance commitments
- data collation and reporting process that are externally audited and verified
- an annual process of self-certification confirming compliance to our internal controls
- a programme of internal audits
- governance and scrutiny over the risk management framework
- validation of information being provided to customers and feedback and improvement processes
- Audit and Risk Committee and Board approval of the methodology and content of the Compliance Statement.

The Board confirms it is satisfied it has the appropriate assurance processes in place and based on these processes endorses this compliance statement and states that, to the best of its knowledge and belief, the information produced is accurate, reliable and complete in all material respects.



Francis Yeoh  
**Chairman**



Colin Skellett  
**Chief Executive**



Jim McKenna  
**Senior Independent Non-Executive Director**



Kate Mingay  
**Chair of Audit and Risk Committee**

08 July 2024



# Regulatory accounts introduction

The Company was appointed by the Secretary of State for the Environment as a water and sewerage undertaker under the Water Act 1989 and is required to comply with the Conditions set out in the Instrument of Appointment (the Licence) issued thereunder.

Under the conditions of its Licence, the Company is obliged to provide the Water Services Regulation Authority (WSRA) with additional information to that contained in the non-statutory financial statements, in order to comply with Licence Condition F. This information is presented on pages 10 to 163.

The differences between the treatment of items in the non-statutory financial statements and these regulatory accounting statements are shown in the disclosure, 'Differences between non-statutory and RAG definitions' on pages 19 to 20.

## Transactions with associates

In the opinion of the Directors, the Company has complied with the objectives and principles of RAG 5.07, in that transactions with associated companies are at arms-length and that cross subsidy is not occurring.

## Accounting methodology statement

We have published the accounting methodology statement for the year to March 2024 on our website [here](#).

## Directors

The Directors are listed in the **Annual Report and Accounts**.

## Statement of Directors' responsibilities

Further to the requirements of company law, the Directors are required to prepare accounting statements that comply with the requirements of Condition F of the Instrument of Appointment of the Company as a water and sewerage undertaker under the Water Industry Act 1991 and Regulatory Accounting Guidelines issued by Ofwat. This requires the Directors to:

- confirm that, in their opinion, the Company has sufficient financial resources and facilities, non-financial resources and methods of planning and internal control for the next 12 months
- confirm that, in their opinion, the Company has sufficient rights and assets to enable a special administrator to manage the affairs, business and property of the Company
- confirm that, in their opinion, the Company has contracts with any associate company with the necessary provisions and requirements concerning the standard of service to be supplied to ensure compliance with the Company's obligations as a water and sewerage undertaker
- report to Ofwat changes in the Company's activities, which may be material in relation to the Company's ability to finance its regulated activities
- undertake transactions entered into by the appointed business, with or for the benefit of associated companies or other businesses or activities of the appointed business, at arm's length, and
- keep proper accounting records, which comply with Condition F and RAG 5.07.

These responsibilities are additional to those already set out in the **Annual Report and Accounts**.

## Directorships

The following Directors of the Company are also Directors of the following parent companies in the Group:

Colin Skellett and David Barclay are Directors of Wessex Water Ltd. Colin Skellett is a Director of YTL Utilities (UK) Ltd.

Francis Yeoh, Hong Yeoh and Mark Yeoh are Directors of Wessex Water Ltd, YTL Utilities (UK) Ltd, YTL Utilities Ltd, YTL Power International Berhad and YTL Corporation Berhad. Hong Yeoh and Hann Yeoh are Directors of YTL Utilities Holdings Ltd.

# Accounting disclosures

## Statement on executive pay and performance

Details of Directors' remuneration is fully disclosed in the Remuneration Committee report in the Annual Report and Accounts. This includes disclosure of the link between pay and performance. To avoid duplication this information has not been replicated in the Annual Performance Report.

## Statement as to disclosure of information to auditors

The Directors who held office at the date of approval of the Annual Performance Report confirm that, so far as they are each aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## Statement on dividend policy for the appointed business

The dividend policy is to declare dividends consistent with the Company's performance and prudent management of the economic risk of the business.

Dividend payments are reviewed and approved on a quarterly basis by the Board after considering both current and projected business performance. Whenever a dividend is considered by the Board, a paper is prepared by the Finance Directorate which sets out the purpose of the dividend and how it complies with the dividend policy.

In particular, the Board takes into account:

- the Company's current and projected performance in delivering the level of service customers expect from an efficient water and sewerage company and that where that level of service has not been delivered, that customers have been adequately compensated
- that the Company is delivering the required quality and environmental outputs and making sufficient investment in its infrastructure to maintain and, where necessary, increase resilience
- that the correct amount of tax has been paid
- that the Company has met any unexpected additional expenditure needs that may have arisen during the year to date, as new operational risks emerge
- the level of regulatory gearing and its comparison with Ofwat's expectations pertaining at the time
- the sufficiency of distributable reserves.

The Company will maintain a solid investment grade credit rating at all times.

*Financial Year 2024 dividends*

The Board take seriously their commitments and obligations to customers and other stakeholders (including the environment, communities, employees and pension members) as a supplier of essential services. They also recognise the need to continue to improve performance and the long-term nature of the plan to deliver this objective.

For the 2024 financial year the Board considered a number of factors prior to approval of dividends including: delivery of PCs that incorporate incentive based rewards and penalties for AMP7, circumstances where performance has not met targets, the ongoing EA and Ofwat investigations into environmental performance where the company remains actively engaged with these regulators to resolve any remaining issues, and the ability to maintain financial resilience through the remainder of AMP7 in line with the review of long-term viability.

During the year, the Board approved the declaration of £66.5m in dividends (last year - £70.6m) to its immediate parent company. This represents a dividend yield of 5.0% on the Company's regulatory equity (last year – 5.4%) as compared to Ofwat's base yield of 3.0% included in the regulatory settlement.

Dividend payments in excess of the base dividend yield are to be reflective of current or past outperformance versus the final determination. This outperformance can arise for several reasons, such as cost savings, strong ODI performance, outperformance of financing assumptions or a combination of these. The Board considers outperformance and whether it should be reflected in dividend payments on a cumulative basis over the AMP.

Highlights for 2024 included our performance suggesting we are back on track to receive a 4-star rating for the EA's Environmental Performance Assessment (EPA), being the highest ranked water and sewerage company for Ofwat's customer measure of experience (C-Mex), potential best in industry performance under the DWI's Compliance Risk Index (CRI) measure and the pension scheme returning to a surplus position. We also recognise a significant proportion of our outperformance came from financing in both 2023-24 (7.6%) and 2022-23 (13.1%), for additional detail on this see page 24. This is all whilst increasing asset investment in the year by over 40% to its highest level since privatisation.

Therefore, as already indicated the Board whilst distributing an aspect of outperformance including an element brought forward from the previous year, has retained the majority, recognising the need to retain outperformance within the Company to fund future investment.

	<b>FY2024</b>	<b>FY2023</b>
Base yield	3.0%	3.0%
Financing	7.6%	13.1%
Totex	-6.1%	-5.6%
Retail	-0.5%	-0.2%
ODI (inc C-Mex & D-Mex)	-0.5%	0.1%
Other exceptional items	0.0%	0.0%
<b>Outperformance yield</b>	<b>3.5%</b>	<b>10.4%</b>
<b>Actual yield</b>	<b>5.0%</b>	<b>5.4%</b>

Further detail relating to the calculation of yields and returns is set out in Table 1F.

	FY2024	FY2023
	£m	£m
Base return	42.1	42.5
Outperformance	3.6	78.2
Adjust to current year prices	11.5	24.9
<b>In year performance nominal</b>	<b>57.2</b>	<b>145.6</b>
RCV growth from inflation <sup>1</sup>	49.4	130.4
<b>In year return available for distribution</b>	<b>106.6</b>	<b>276.0</b>
Undistributed return brought forward	339.0	115.6
Adjust to current year prices	67.7	18.0
Dividend declared	-66.5	-70.6
<b>Undistributed return carried forward<sup>2</sup></b>	<b>446.8</b>	<b>339.0</b>

<sup>1</sup> Adjustment to RCV for impact of inflation (CPIH).

<sup>2</sup> Undistributed returns available for future distribution

## Accounting policy note for price control units

Cost allocations have been prepared in accordance with RAG 2.09 and RAG 4.12 for the definitions for the regulatory accounting tables. All costs are recorded in the accounting records by cost centre. Cost centres are defined either as a direct department, comprising operational and customer functions, or a support department. Direct departments are mostly directly allocated to service activities based on the nature of the function, although some costs require apportionment on an appropriate basis. Support departments are apportioned across the price controls either based upon a specific analysis of the costs or by apportionment by an appropriate cost driver. Once allocated to the appropriate price control the costs are then allocated to service activities using an appropriate method.

Fixed assets directly involved in the activities within each business unit are recorded against that business unit using direct allocation per the location or asset type. Where an asset is utilised in more than one business unit, the asset is allocated to the business unit of principal use and costs are recharged to other different business units on the same basis used to allocate operating expenditure.

Further detail is provided in the accounting separation methodology statement published on our website [here](#).

## Revenue recognition

Turnover represents income receivable in the ordinary course of business, excluding VAT, for services provided. Turnover from contracts with customers is recognised when control of these goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

In accordance with RAG 3.14, there is one difference in turnover recognition between the statutory and regulatory accounts. This relates to the adoption of IFRS15 whereby turnover has been de-recognised where the occupier has consistently not settled their account for a period of four years or more. There are no further adjustments between amounts billed (as adjusted by opening and closing accruals) and amounts recorded as turnover.

Income related to water and sewerage services is receivable from occupiers of the premises to which services are supplied except where a third party has agreed liability for the charges. Where premises are unoccupied or where no services are supplied, charges are not raised, income is not receivable and no turnover is recognised. Premises that are furnished are considered to be occupied except in exceptional circumstances such as death or long-term hospitalisation of the customer. We consider premises undergoing refurbishment or being used for storage to be occupied by the owners of the premises.

If details of the occupier of the premises are unknown, the premises are considered to be unoccupied, no charges are raised and no turnover is recognised except where a third party has agreed liability for the charges. We do not bill properties speculatively in the name of the occupier. We have processes that seek to determine whether properties are occupied that include, but are not limited to, written correspondence, data matching and visits.

Charges that do not represent income receivable in the ordinary course of business are not recognised as turnover. This includes charges for the recovery of costs related to court action to recover charges overdue.

The principles laid out above apply to both new and existing premises.

## Capitalisation policy

Our capitalisation policy is unchanged from previous years. The capitalisation policy document is owned and published internally by the Group Financial Controller and forms part of our governance process and procedures. The policy is applied consistently between the statutory and regulatory accounts, in accordance with IAS16 Property, Plant and Equipment and IAS38 Intangible Assets. It includes a significant level of detail and includes the following principles.

Assets are taken to be fixed assets if they are intended for use on a continuing basis over at least three years (or two years in the case of internal software developments). Any assets not intended for such use are to be charged to the Income Statement.

Capital expenditure shall be determined as follows:

- the price paid for the asset together with any costs incidental to the acquisition, eg, identification of options and appraisal costs. This may include site preparation, which could encompass demolition work
- the cost of raw materials, consumables, salaries and wages (together with other costs) directly attributable to the creation of that asset
- in addition, the cost of an asset may include a reasonable proportion of costs indirectly attributable to the creation of the asset
- interest paid, for example, on contractors' claims or delayed payment of certificates, may be capitalised.

## Bad debt policy

### *Expected credit loss policy*

There have been no changes in expected credit loss policy. The value of debt written off in the year was £12.6m compared with £14.4m in the previous year.

Debt is written off for one of four reasons:

- it is considered or known to be uncollectible
- it is considered uneconomic to collect
- older debt is written off by agreement with the customer in return for the receipt of monthly payments to pay off current year debt as part of our 'Restart' and 'Restart Plus' policies
- write off is ordered by the County Court. In these cases, the court may set payment at a proportion of the outstanding debt. When this level of payment is reached the court will instruct that the rest is to be written off.



### *Expected credit loss provision policy*

The expected credit loss provision for tariff income at 31 March 2024 was £45.4m compared with £39.3m the previous year-end, the increase being due to a deterioration in collectability and the Company's assessment of the current and future economic climate.

Under IFRS9, expected credit loss provision is forward looking. To estimate expected credit loss various categories are selected, such as direct debit, instalments and standing orders and other. Long-term historical collectability profile is used to assess an appropriate level of provision based on these factors and any expected general economic effects.

### *Trade debtor balance*

There has been an increase in the trade debtor balance from the prior year. The trade debtor at 31 March 2024 was £94.7m, compared with £91.4m the previous year.

## Ring-fencing certificate

Licence conditions I (ring-fencing) and K (ring-fencing and disposals of land) require the Company, at all times, to ensure that if a special administrator were appointed to manage the regulated activities, that administrator would have sufficient rights and assets (other than financial resources) to enable the administrator to manage the affairs, business and property of the Company. The Company is required to confirm on an annual basis that it is in compliance with these conditions and, in a certificate of adequacy, make suitable sufficiency statements to that effect.

The Company should also include a statement of the main factors that the Board has taken into account when approving the certificate of adequacy. The certificate should also be accompanied by a report prepared by the Company's auditors stating whether they are aware of any inconsistencies between the certificate and either the regulatory accounting statements or any information which they have obtained in the course of their work and, if so, what they are. The Company's auditors, Ernst & Young, have conducted their audit and prepared a separate report as required by paragraph I24, which confirms that no inconsistencies were identified between the ring-fencing certificate and either the regulatory accounting statements or any information which the Auditors obtained in the course of their work as the Company's Auditors. The overall Auditor's report can be found on pages 160 to 168 of this report. An auditor assurance statement specific to this ring-fencing certificate has been separately submitted to Ofwat.

In accordance with the requirements, this is to certify that on 08 July 2024, the Board of Wessex Water Services Limited unanimously resolved that, in their opinion, for at least the next 12 months:

- (a) The Appointee will have available to it sufficient:
  - a. financial resources and facilities to enable it to carry out the Regulated Activities (including the investment programme necessary to fulfil the Appointee's obligations under the Appointment); and
  - b. management resources and systems of planning and internal control enabling it to carry out its functions under the Appointment.
  
- (b) All contracts entered into with any Associated Company include all necessary provisions and requirements concerning the standard of service to be supplied to the Appointee, to ensure that it is able to carry out the Regulated Activities.

The Board has considered a wide range of factors to satisfy themselves that the evidence detailed here is sufficient for them to draw the conclusions they have. This includes the Auditors' statement regarding the Company's accounts, going concern statement, long-term viability statement, risk and compliance statement, and the inputs and assurance processes associated with each. Each of these has been considered in detail by the Audit and Risk Committee, with the appropriate challenge to directors and senior managers, before being recommended to the Board for approval.

The main factors the Board has taken into account, in compliance with the requirements are:

- (a) **Financial resources and facilities** and in particular consideration of:
  - a. the Company's detailed budget for the year to March 2025;

- b. the Company's Final Determination for AMP7 accepted in February 2020;
- c. the Company's long-term viability statement to March 2035;
- d. the Company's credit arrangements including its existing borrowing facilities, which include significant undrawn bank facilities of £600m;
- e. the Company's available cash resources and financing strategy including re-financing European Investment Bank loans maturing in April 2024 and May 2025;
- f. the Company's investment grade ratings and compliance with financial covenants; and
- g. the Company's dividend policy that does not impair the Company's ability to finance the Company.

**(b) Management resources** and in particular consideration of:

- a. the management skills, experience and relevant qualifications of key directors and managers, including succession planning for key management and staff;
- b. the Company's recruitment and reward processes and staff engagement including the results and learning from the Company's staff-wide survey;
- c. the quality of management and staff induction, including training and development;
- d. the work of the Company's diversity and inclusion working group and Environment and Public Value Committee;
- e. Board reports, including the regular business performance updates; and
- f. the independence and functionality of the Board and its committees.

**(c) Systems of planning and internal control** and in particular consideration of:

- a. the governance framework, delegated authority processes and procedures;
- b. the risk management framework as detailed in the annual report and accounts and associated reporting mechanisms;
- c. the internal and external audit policies, processes, activities, and reports;
- d. the systems for maintaining supply, security, incident management and business continuity, including relevant action plans;
- e. the restated business ethics and raising a concern policy;
- f. supply chain reviews for compliance with the Utilities Contracts Regulations, Modern Slavery Act, Economic Crime and Corporate Transparency Act and Bribery Act;
- g. risk, compliance and other assurance statements;
- h. performance against performance commitments as reported in the annual performance summary;
- i. the systems for information assurance and information quality; and
- j. the Company's ability to meet its legal obligations. The ongoing investigations by the HSE, Ofwat and the Environment Agency are provided under material issues and circumstances below.

**(d) Rights and resources other than financial resources** and in particular consideration of:

- a. the Company's social purpose and BEST values;
- b. the resources available from the Company's in-house engineering and sustainable delivery department who deliver the capital programme;
- c. technology and other systems for ensuring appropriate information security and access control, reconciliation, other checks, and verifications such as within the Company's Bravo procurement system or the updated regulatory assurance manual;
- d. policies to encourage an integrated approach and 'systems thinking' including the Wessex Water Marketplace, business continuity, and resilience action plans; and

- e. planning and asset maintenance systems.

**(e) Contracting and in particular consideration of:**

- a. the legal ownership of the Company's assets;
- b. the status of key contracts in place;
- c. the billing and revenue collecting capability of the Company's Associated Company, Bristol Wessex Billing Services Limited, which provides such services under contract;
- d. transactions between the Company and any Associated Company including the Company's annual RAG5 report;
- e. compliance with licence provisions on cross-subsidies between the Company and any Associated Company; and
- f. compliance with licence provisions on guarantees and cross-default obligations requiring Ofwat's written consent.

**(f) Material issues or circumstances and in particular consideration of:**

- a. the Company's continued co-operation with the ongoing investigations into (a) the December 2020 incident at Avonmouth and (b) flow to full treatment compliance at waste water treatment works.
- b. The Board reviews the principal risks throughout the year, the details of our principal risks are outlined in our annual report and accounts. Our risk management framework has an agreed risk appetite and tolerance. This process reviews existing and emergent risks. Uncertainty in relation to the definition of the final PR24 business plan is one such risk. Two other areas of material note are climate volatility and cyber threat.
  - The changing climate and extreme weather events despite being unpredictable are more frequent. This impacts our operational delivery and ability to meet regulatory outcomes. The Company's outcome based approach to regulation will provide more focused oversight of operational delivery with more short term flexibility to deliver long-term outcomes
  - Cyber threats are increasing in both volume and complexity. The Company has further developed its 24/7 cyber-security operations centre which monitors and manages cyber risks to its corporate and operational estate. The Company is on course to be compliant with the sector specific profile for the EU Network & Information Systems (NIS) Regulations for the 2025 deadline.

## Tax strategy for appointed business

Wessex Water Services Limited is one of the leading water and sewerage companies in England and Wales. The Company ensures that all its activities meet the highest legal and ethical standards.

### *Attitude towards UK tax planning*

The Company's approach to tax is fully aligned with the Company's overall objectives. The Company seeks to comply with the spirit and letter of UK tax legislation and claims all tax reliefs and allowances to which it is entitled. The Company will consider reasonable tax planning opportunities which are in line with its risk appetite. As a general rule, the Company does not enter into complicated structures nor engage in any aggressive or artificial tax planning, as it does not believe it is the correct thing to do.

Due to the size and complexity of the UK tax system, tax is a complicated area and uncertainties will arise. Consistent with other business areas, the Company will seek external advice when required.

### *Approach to risk management and governance arrangements in relation to UK tax*

The Board is ultimately responsible for the tax strategy and engages with relevant individuals within the Company to ensure the tax strategy is implemented and monitored. The Board reviews and approves all significant decisions relating to tax and is regularly updated regarding any significant matters relating to tax.

As a UK regulated business with a significant capital programme, the Company considers obtaining tax relief on capital expenditure as a key factor affecting its tax liability. Other factors, such as changes in tax legislation or changes in interpretations, may also affect the amount of tax due, compared with what has been allowed as part of the regulatory final determination.

*The level of risk in relation to UK tax the company is prepared to accept*

As documented in the Company's finance policy, the Company adopts a risk averse and cautious approach to tax. In addition, tax is included as part of the Company's risk assessment framework. The overall risk framework is monitored by the Company with regular updates provided to the Board.

*Approach towards its dealing with HMRC*

The Company has an open, regular and professional dialogue with HMRC. As part of its Business Risk Reviews, HMRC have always regarded the Company as being low risk. The Company is committed to maintaining this low-risk status in the long term. The Company believes that its approach to tax and early engagement with HMRC on any area of uncertainty are significant factors in maintaining this low-risk rating. The Company will also engage with HMRC on industry-wide matters through its membership of Water UK.

This tax strategy is provided in compliance with the requirements of paragraphs 16(2) and 19(2), Schedule 19 Finance Act 2016.

*The Company's tax contribution*

The corporation tax credit on profits arising in the year was £1.6m which all relates to prior year matters. The company has not recognised a current year tax charge due to the losses before tax it has generated in the year and has therefore paid no corporation tax during the current year.

The Company is however liable to several other taxes which represent a cost to the business. These taxes include employer's National Insurance contributions of £13.9m, business rates of £20.8m, environmental permitting of £6.5m, energy levies and other taxes of £5.0m and fuel duty of £2.2m.

## Differences between non-statutory and RAG definitions

The differences between the non-statutory accounts and the regulatory accounting statements are detailed below.

**Table 1A – Income Statement**

<b>Explanation of differences between Statutory and Regulatory accounts</b>	£m
Positive numbers represent increased profit in the Regulatory Accounts	
<b>Revenue</b>	
Revenue to be re-classified as Other Income in the Regulatory Accounts	(2.596)
Biosolids treated as negative expenditure	(0.625)
Non-payers excluded from Revenue in accordance with IFRS 15	0.554
Rental income from appointed assets included with Other Income	(0.355)
	<b>(3.022)</b>
<b>Operating costs</b>	
Depreciation of previously capitalised customer leakage repairs are excluded in the Regulatory Accounts and are capitalised in the Non-Statutory Accounts	0.670
Biosolids treated as negative expenditure	0.625
Innovation fund payments	2.116
Bad-debt provision on revenue treated as non-payers under IFRS 15 excluded from operating costs	(0.293)
Capitalised interest on completed assets is depreciated in the Non-Statutory Accounts. In the Regulatory Accounts capitalisation of interest is not allowed	0.837
Other operating income shown separately in the Regulatory accounts	3.968
Other income shown separately in the Regulatory accounts	(3.064)
Depreciation arising on conversion to IFRS on the revaluation of infrastructure assets has been dis-applied in the Regulatory Accounts	5.045
	<b>9.904</b>
<b>Other operating income</b>	
Other operating income shown separately in the Regulatory Accounts	(3.968)
	<b>(3.968)</b>
<b>Other income</b>	
Revenue to be re-classified as Other Income in the Regulatory Accounts	3.064
Innovation fund payments	(2.116)
Rental income from appointed assets included with Other Income	0.355
Other income shown separately in the Regulatory accounts	2.596
	<b>3.899</b>
<b>Interest expense</b>	
Capitalisation of interest: excluded from Regulatory accounts	(15.273)
	<b>(15.273)</b>
<b>Taxation</b>	
Deferred tax at 25% on the net adjustments described above	2.115
	<b>2.115</b>
<b>Total differences</b>	<b>(6.345)</b>

**Table 1C – Statement of Financial Position****Explanation of differences between Statutory and Regulatory accounts**

	£m
<b>Fixed assets</b>	
Infrastructure asset revaluation on adoption of IFRS accounting, after depreciation. This amount is excluded from the Regulatory accounts.	(634.206)
Customer pipe repairs, after depreciation, are excluded from the Regulatory accounts	(33.717)
Interest capitalised on asset construction, after depreciation on completed assets. This amount is excluded from the Regulatory accounts.	(40.013)
	<b>(707.936)</b>
<b>Intangible assets</b>	
Interest capitalised on asset development, after depreciation on completed assets. This amount is excluded from the Regulatory accounts.	(1.911)
	<b>(1.911)</b>
<b>Trade and other receivables</b>	
Non-payers' adjustment which is excluded from the Regulatory accounts.	0.906
	<b>0.906</b>
<b>Trade and other payables</b>	
To be shown under Capex Creditor	54.467
	<b>54.467</b>
<b>Capex creditor</b>	
From Trade and other payables	(54.467)
	<b>(54.467)</b>
<b>Deferred income – G&amp;Cs</b>	
Deferred income on adopted assets to be shown separately	115.440
	<b>115.440</b>
<b>Deferred income – adopted assets</b>	
Deferred income on adopted assets to be shown separately	(115.440)
	<b>(115.440)</b>
<b>Deferred tax</b>	
Deferred tax at 25% on fixed asset and other differences described above	177.315
	<b>177.315</b>
<b>Total differences</b>	<b>(531.626)</b>



## Long-term viability statement

The Directors have made a long-term viability statement in the Annual Report and Accounts, pages 115-121, which covers the period to 31 March 2035. To avoid duplication this information has not been fully replicated in the Annual Performance Report.

The Company undertook analysis to 31 March 2035 by reference to several scenarios developed from the company Corporate Risk Register, company financial projections and the impact of the regulatory regime. The Company's analysis included scenarios incorporating the published Principal Risks. It also considered the impact of low probability and high impact events as well as the impact of adverse scenarios occurring concurrently.

Following these assessments and subject to the appropriate performance of Ofwat's statutory duties, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due up to 31 March 2035.

## Infrastructure charges

This year we recovered £3.3m in infrastructure charges compared to expenditure on offsite reinforcement of £4.5m (supply and waste). This is an in-year under recovery of £1.3m, which combined with the brought forward under recovery of £8.6m, gives us a cumulative under recovery of £9.8m.

We expect some variance year on year, as we aim to set infrastructure charges that converge on a sustainable, stable level. To date, in accordance with the charging rules, we have been setting infrastructure charges exclusively on a forward-looking basis. From the 2025-26 charging year we will be setting them looking at both historical recovery and forward plans and so will converge on the appropriate recovery rate.

Where we need to invest, we will be investing not only to enable immediate development, but also to enable future planned development. This investment will continue to deliver benefits over the coming years. Therefore, we do not think that the short timescale that this information is collected over is the most appropriate comparison.

This year we continued to under recover on wastewater. Resulting in cumulative under-recovery to date of £13.0m. This is driven by four large factors:

- Over 2020-2023 we made significant investment in our North Bristol catchment (Trym Tunnel & Frome Valley Relief Sewer). These costs have been fully incurred, but we had planned to smooth this impact on customers' charges, therefore these costs were never fully recovered
- We have seen specific costly requirements in Weston-Super-Mare to enable development
- We continue to see increased uptake in our lower tier of infrastructure charge. This is good news, as over the longer term this will reduce the amount of surface water in our foul system, and in the long run decrease costs. However, in the short-term we still need to invest
- We have seen a reducing number of wastewater connections over time.

To this end, we have further increased wastewater infrastructure charges for 2024-25. We have retained the discount to continue to incentivize surface water separation and provide cost effective ways for customers to connect to our network.

On water supply revenue remains close to expenditure, in the year we over recovered by £0.3m, resulting in an over recovery to date of £3.2m.

This is due to a backdrop of reducing leakage and more water efficient new homes resulting in supply connections are not requiring as much additional network reinforcement. We do not expect this to continue indefinitely and can see multiple investment needs arising over the coming years, as set out in our 2025-30 business plan.

# Transactions with associates and the non-appointed business

## Transactions to be disclosed

Services provided by appointee to associated companies:

Associate company	Service provided	Turnover of associate £m	Terms of supply	FY2024 £m
Wessex Water Enterprises Ltd	Transport, accommodation, insurance, laboratory, central services (no individual transaction more than 0.5% of turnover)	45.9	Actual costs plus overhead allocation	2.737
Wessex Water Enterprises Ltd	Treatment of imported organic waste	45.9	Commercial terms	4.446
Wessex Water Enterprises Ltd	Sale of biogas	45.9	Commercial terms	3.691
GENeco Ltd	Access to sludge digestion process	3.2	Commercial terms	0.383
Bristol Wessex Billing Services Ltd	Information systems, transport, insurance, staff costs	18.5	Actual costs plus overhead allocation	1.486
Bristol Wessex Billing Services Ltd	Senior management team	18.5	Actual costs	0.036
Wessex Water Ltd	Corporate charges	29.6	Cost allocated by time allocation	1.178
Gainsborough Hotel (Bath) Ltd	Central services, laboratory sampling and building rental	7.8	Actual costs/market rental	0.167
Turnbull Infrastructure & Utilities Ltd	Project management and engineering support	30.3	Cost allocated by time allocation	1.022
Water 2 Business Ltd	Legal, insurance, transport, and information systems services	245.6	Actual costs plus overhead allocation	0.473
Water 2 Business Ltd	Wholesale water and sewerage for non-household market	245.6	Regulated tariff	77.131
YTL Developments (UK) Ltd	Project management, environmental investigations, management and engineering and back-office support	23.4	Actual costs	0.604

Services provided to appointee by associated companies:

Associate company	Service provided	Turnover of associate £m	Terms of supply	FY2024 £m
Bristol Wessex Billing Services Ltd	Billing services	18.5	Benchmarked	12.910
Bristol Wessex Billing Services Ltd	Project support	18.5	Actual costs	1.457
Wessex Water Enterprises Ltd	Supply of electricity	45.9	Other market testing	2.796
Wessex Water Enterprises Ltd	Supply of heat	45.9	Other market testing	0.534
Wessex Water Enterprises Ltd	Project management and other staffing costs	45.9	Other market testing	1.402
Wessex Water Ltd	Directors' services	29.6	Actual costs	0.607
Xchanging Malaysia Sdn Bhd	IT services	MYR~800m	Competitive letting and market testing	0.448
YTL Communications Sdn Bhd	IT services	MYR~40m	Competitive letting and market testing	0.258

### Financial transactions

Dividends declared by the appointee to Wessex Water Ltd are disclosed in note 10 to the Annual Report and Accounts.

The appointee was charged £172.4m (2023: £127.3m) of interest by its subsidiary company Wessex Water Services Finance Plc in relation to the proceeds of Bonds issued by that company, that were lent to the appointee under the same terms as the Bonds. The Bonds are shown in note 18 to the Annual Report and Accounts.

The appointee acquired assets of £0.7m (2023: £0.4m) on behalf of Wessex Water Enterprises Ltd and transferred those assets to that company.

# Section 1: Regulatory financial reporting

## Current tax analysis

The UK corporation tax on Table 1A is a credit of 1.6m.

Loss before tax and fair value movements was £51.7m which at the standard tax rate of 25% derives an expected tax credit of £12.9m. The actual tax credit of £1.6m is £11.3m different from £12.9m. The main reconciling items are explained as follows:

-47.6m capital allowances in excess of depreciation
-4.9m pension tax relief in excess of accounting charge
+0.8m permanent disallowable expenditure
+64.7m current year tax losses
-1.6m prior year adjustment
-0.1m other
-----
11.3m

The Company does not expect to sell any losses to other group companies. Should it do, losses would be sold at the tax rate applicable for the period in question. On the basis that no fair value gains or losses are reported, there are no corresponding tax adjustments.

## Current tax reconciliation

The corporation tax credit of £1.6m relates solely to prior years. The current year current tax credit of £0.0m is £7.8m lower than the £7.8m tax charge allowed in the price limits. The main reconciling items are explained as follows:

-46.9m lower profit before tax of £187.5m at 25%
+13.4m lower add back for depreciation
-5.0m higher tax relief on pension payments
+3.3m no debt gearing adjustment
+3.8m capitalised interest adjustment
-43.4m lower capital allowances deduction
+63.2m current year losses
+3.8m other adjustments (including rate change)
-----
-£7.8m

The current year tax charge has been affected by the availability of the full expensing regime for capital expenditure. As this measure has now been made permanent, it is expected to have a significant impact on future current tax charges.

## Interest

The overall interest charge of £205.081m comprises interest expense in Table 1A.7 of £204.981m and Interest on net defined benefit assets/liabilities in Table 1A.8 of £0.100m.

	£m
Interest charged on bonds	172.366
Interest charged on term loans, revolving credit facilities and leases	32.615
<b>Sub total</b>	204.981
Other financing costs	0.100
<b>Total</b>	205.081

## Analysis of debt

Total borrowings of £2,969.2m (2023: £2,916.7m) are consistent across both Tables 1E and 4B. A summary breakdown is shown in 1E and a detailed breakdown in 4B.

## Financial derivatives

Not applicable.

## Financial flows

The purpose of Table 1F is to provide full transparency of the financial flows to investors. It looks at how the actual performance of the Company supports the financial flows and compares it to what was assumed by Ofwat under the notional structure at the last price review.

All financial values are stated at 2017-18 prices for comparison with the last price review.

We have used the base returns, RCV and equity figures published by Ofwat and made no amendments.

### Financial performance

Our gearing of 69% remains above that assumed in the notional structure, but under the threshold that triggers the gearing outperformance sharing mechanism (GOSM). We expect this to be the case throughout the price control period. Gearing has increased since last year, as we:

1. continue to feel the impact of above inflationary input price pressures, and
2. catch up investment delayed at the start of the period due to Covid-19.

This year we continue to see outperformance on the cost of debt, with a real cost of debt 0.9% lower than assumed in the final determination, this results in a c£21m benefit on the actual financial structure.

This is due to our limited exposure to index linked debt while inflation remained high. As inflation falls, with the lagged indexation date on index linked debt and recent new debt issuances we would expect this to

## Section 1: Regulatory financial reporting

reduce.

This year following the introduction of full expensing of capital expenditure we are seeing substantial tax benefits, which can be utilised in future years. This results in a total tax benefit of c£56m.

Further detail around our tax performance in our tax reconciliation and narrative on page 26.

We have no hedging instruments and no group relief to report.

### **Operational performance**

We discuss our performance over these areas in detail in the individual narrative sections.

We recorded a totex underperformance in year of c£66m after sharing. This is due to significant input price pressures over CPIH in the year and increasing maintenance costs over time. There is still some substantial uncertainty around the remaining capital programme, and we remain hopeful that we will realise savings later in the price control period. We will continue to deliver improvements that are in the best interests of our customers and present this at PR24.

We have included the 2022-23 reward of £1.8m C-MeX and D-MeX as published. We expect to continue our strong performance in both these measures for 2023-24, but no allowance is currently made for this.

On retail we are showing a continued underperformance of -£6m this year that we discuss in the retail narrative on page 36. This has increased from last year driven by the increased provision for doubtful debts arising through the cost-of-living crisis.

We have included the company share of land sales as disclosed in table 2L and calculated as per the PR24 reconciliation model, within the exceptional items. This is the only contributing factor to this value.

### **Dividends and retained value**

This year we have paid dividends of £53m (2017-18 prices), a yield of 4.97% on actual equity. We have a flexible dividend policy that ensures that we are paying dividends that are sustainable and supported by our overall financial performance. This is reviewed annually to ensure that we are paying the appropriate dividends, that these relate to our performance, and that we remain financially viable.



Section 1: Regulatory financial reporting

Pro forma 1A

Income statement for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference	Comments (For internal use only, not to be reviewed by Ofwat)
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments			
Revenue	£m	3	574.476	-3.022	15.608	-18.630	555.846	1A.1	
Operating costs	£m	3	-439.240	16.432	-15.482	31.914	-407.326	1A.2	
Other operating income	£m	3	0.000	-10.496	0.000	-10.496	-10.496	1A.3	
Operating profit	£m	3	135.236	2.914	0.126	2.788	138.024	1A.4	
Other income	£m	3	1.302	3.899	0.000	3.899	5.201	1A.5	
Interest income	£m	3	6.803	0.000	0.000	0.000	6.803	1A.6	
Interest expense	£m	3	-189.708	-15.273	0.000	-15.273	-204.981	1A.7	
Other interest expense	£m	3	-0.100	0.000	0.000	0.000	-0.100	1A.8	
Profit before tax and fair value	£m	3	-46.467	-8.460	0.126	-8.586	-55.053	1A.9	
Fair value gains/(losses) on financial	£m	3	0.000	0.000	0.000	0.000	0.000	1A.10	
Profit before tax	£m	3	-46.467	-8.460	0.126	-8.586	-55.053	1A.11	
UK Corporation tax	£m	3	1.557	0.000	-0.032	0.032	1.589	1A.12	
Deferred tax	£m	3	9.426	2.115	0.000	2.115	11.541	1A.13	
Profit for the year	£m	3	-35.484	-6.345	0.094	-6.439	-41.923	1A.14	
Dividends	£m	3	-66.500	0.000	0.000	0.000	-66.500	1A.15	
<b>Tax analysis</b>									
Current year	£m	3	0.000	0.000	0.032	-0.032	-0.032	1A.16	
Adjustment in respect of prior years	£m	3	-1.557	0.000	0.000	0.000	-1.557	1A.17	
UK Corporation tax	£m	3	-1.557	0.000	0.032	-0.032	-1.589	1A.18	
<b>Analysis of non-appointed revenue</b>									
Imported sludge	£m	3			0.000			1A.19	
Tankered waste	£m	3			0.000			1A.20	
Other non-appointed revenue	£m	3			15.608			1A.21	
Revenue	£m	3			15.608			1A.22	

## Pro forma 1B

## Statement of comprehensive income for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
Profit for the year	£m	3	-35.484	-6.345	0.094	-6.439	-41.923	1B.1
Actuarial gains/(losses) on post-employment plans	£m	3	3.825	0.000	0.000	0.000	3.825	1B.2
Other comprehensive income	£m	3	0.000	0.000	0.000	0.000	0.000	1B.3
Total Comprehensive income for the year	£m	3	-31.659	-6.345	0.094	-6.439	-38.098	1B.4

## Pro forma 1C

## Statement of financial position for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
<b>Non-current assets</b>								
Fixed assets	£m	3	4,414.332	-707.936	0.000	-707.936	3,706.396	1C.1
Intangible assets	£m	3	39.681	-1.911	0.000	-1.911	37.770	1C.2
Investments - loans to group companies	£m	3	0.000	0.000	0.000	0.000	0.000	1C.3
Investments - other	£m	3	0.013	0.000	0.000	0.000	0.013	1C.4
Financial instruments	£m	3	0.000	0.000	0.000	0.000	0.000	1C.5
Retirement benefit assets	£m	3	6.004	0.000	0.000	0.000	6.004	1C.6
<b>Total non-current assets</b>	<b>£m</b>	<b>3</b>	<b>4,460.030</b>	<b>-709.847</b>	<b>0.000</b>	<b>-709.847</b>	<b>3,750.183</b>	<b>1C.7</b>
<b>Current assets</b>								
Inventories	£m	3	7.034	0.000	0.000	0.000	7.034	1C.8
Trade & other receivables	£m	3	206.255	0.906	0.616	0.290	206.545	1C.9
Financial instruments	£m	3	0.000	0.000	0.000	0.000	0.000	1C.10
Cash & cash equivalents	£m	3	5.814	0.000	0.000	0.000	5.814	1C.11
<b>Total current assets</b>	<b>£m</b>	<b>3</b>	<b>219.103</b>	<b>0.906</b>	<b>0.616</b>	<b>0.290</b>	<b>219.393</b>	<b>1C.12</b>
<b>Current liabilities</b>								
Trade & other payables	£m	3	-272.384	54.467	0.000	54.467	-217.917	1C.13
Capex creditor	£m	3	0.000	-54.467	0.000	-54.467	-54.467	1C.14
Borrowings	£m	3	-66.208	0.000	0.000	0.000	-66.208	1C.15
Financial instruments	£m	3	0.000	0.000	0.000	0.000	0.000	1C.16
Current tax liabilities	£m	3	0.882	0.000	-0.106	0.106	0.988	1C.17

Section 1: Regulatory financial reporting

Provisions	£m	3	-1.190	0.000	0.000	0.000	-1.190	1C.18
Total current liabilities	£m	3	-338.900	0.000	-0.106	0.106	-338.794	1C.19
<b>Net Current assets/(liabilities)</b>	<b>£m</b>	<b>3</b>	<b>-119.797</b>	<b>0.906</b>	<b>0.510</b>	<b>0.396</b>	<b>-119.401</b>	<b>1C.20</b>
<b>Non-current liabilities</b>								
Trade & other payables	£m	3	-5.711	0.000	0.000	0.000	-5.711	1C.21
Borrowings	£m	3	-2,903.028	0.000	0.000	0.000	-2,903.028	1C.22
Financial instruments	£m	3	0.000	0.000	0.000	0.000	0.000	1C.23
Retirement benefit obligations	£m	3	0.000	0.000	0.000	0.000	0.000	1C.24
Provisions	£m	3	0.000	0.000	0.000	0.000	0.000	1C.25
Deferred income – grants & contributions	£m	3	-322.160	115.440	0.000	115.440	-206.720	1C.26
Deferred income - adopted assets	£m	3	0.000	-115.440	0.000	-115.440	-115.440	1C.27
Preference share capital	£m	3	0.000	0.000	0.000	0.000	0.000	1C.28
Deferred tax	£m	3	-571.038	177.315	0.000	177.315	-393.723	1C.29
Total non-current liabilities	£m	3	-3,801.937	177.315	0.000	177.315	-3,624.622	1C.30
<b>Net assets</b>	<b>£m</b>	<b>3</b>	<b>538.296</b>	<b>-531.626</b>	<b>0.510</b>	<b>-532.136</b>	<b>6.160</b>	<b>1C.31</b>
<b>Equity</b>								
Called up share capital	£m	3	0.000	0.000	0.000	0.000	0.000	1C.32
Retained earnings & other reserves	£m	3	538.296	-531.626	0.510	-532.136	6.160	1C.33
Total Equity	£m	3	538.296	-531.626	0.510	-532.136	6.160	1C.34

## Pro forma 1D

## Statement of cashflows for the 12 months ended 31 March 2024

Line description	Units	DPs	Statutory	Adjustments			Total appointed activities	RAG 4 reference
				Differences between statutory and RAG definitions	Non-appointed	Total adjustments		
<b>Operating activities</b>								
Operating profit	£m	3	135.236	2.914	0.126	2.788	138.024	1D.1
Other income	£m	3	1.302	3.899	0.000	3.899	5.201	1D.2
Depreciation	£m	3	129.554	-13.984	0.000	-13.984	115.570	1D.3
Amortisation – Grants & contributions	£m	3	0.000	-3.064	0.000	-3.064	-3.064	1D.4
Changes in working capital	£m	3	11.793	-0.261	-0.126	-0.135	11.658	1D.5
Pension contributions	£m	3	0.000	-18.400	0.000	-18.400	-18.400	1D.6
Movement in provisions	£m	3	-18.721	18.400	0.000	18.400	-0.321	1D.7
Profit on sale of fixed assets	£m	3	0.000	10.496	0.000	10.496	10.496	1D.8
Cash generated from operations	£m	3	259.164	0.000	0.000	0.000	259.164	1D.9
Net interest paid	£m	3	-90.373	0.000	0.000	0.000	-90.373	1D.10
Tax paid	£m	3	7.656	0.000	0.000	0.000	7.656	1D.11
Net cash generated from operating	£m	3	176.447	0.000	0.000	0.000	176.447	1D.12
<b>Investing activities</b>								
Capital expenditure	£m	3	-362.505	0.000	0.000	0.000	-362.505	1D.13
Grants & Contributions	£m	3	5.281	0.000	0.000	0.000	5.281	1D.14
Disposal of fixed assets	£m	3	2.405	0.000	0.000	0.000	2.405	1D.15
Other	£m	3	130.000	0.000	0.000	0.000	130.000	1D.16
Net cash used in investing activities	£m	3	-224.819	0.000	0.000	0.000	-224.819	1D.17

Section 1: Regulatory financial reporting

Net cash generated before financing activities	£m	3	-48.372	0.000	0.000	0.000	-48.372	1D.18
<b>Cashflows from financing activities</b>								
Equity dividends paid	£m	3	-66.500	0.000	0.000	0.000	-66.500	1D.19
Net loans received	£m	3	-43.779	0.000	0.000	0.000	-43.779	1D.20
Cash inflow from equity financing	£m	3	0.000	0.000	0.000	0.000	0.000	1D.21
Net cash generated from financing	£m	3	-110.279	0.000	0.000	0.000	-110.279	1D.22
Increase (decrease) in net cash	£m	3	-158.651	0.000	0.000	0.000	-158.651	1D.23

Pro forma 1E

**Net debt analysis (appointed activities) at 31 March 2024**

Line description	Units	DPs	Fixed rate	Floating rate	Index linked		Total	RAG 4 reference
					RPI	CPI/CPIH		
Gearing	%	3					68.837%	1E.7
Adjusted Gearing	%	3					68.837%	1E.8

<b>Interest</b>								
Full year equivalent nominal interest cost	£m	3	67.887	26.805	37.280	0.000	131.972	1E.9
Full year equivalent cash interest payment	£m	3	67.887	26.805	15.115	0.000	109.807	1E.10

<b>Indicative interest rates</b>								
Indicative weighted average nominal interest rate	%	3	4.143%	6.422%	4.082%	0.000%	4.445%	1E.11
Indicative weighted average cash interest rate	%	3	4.143%	6.422%	1.655%	0.000%	3.698%	1E.12

<b>Time to maturity</b>								
Weighted average years to maturity	nr	3	8.872	4.739	29.337	0.000	14.586	1E.13

# Section 1: Regulatory financial reporting

Pro forma 1F

Financial flows for the 12 months ended 31 March 2024 and for the price review to date															RAG 4 reference
Line description		12 months ended 31 March 2024						Average 2020-25							
		Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity		
	Units	%			£m			%			£m				
	DPs	2			3			2			3				
Regulatory equity	£m	3	1357.071	1357.071	1074.574				1302.136	1302.136	1037.123				
<b>Return on regulatory equity</b>															
Return on regulatory equity	See Column Heading		3.92%	3.10%	3.92%	53.197	42.123	42.123	3.89%	3.10%	3.89%	50.653	40.344	40.344	
<b>Financing</b>															
Impact of movement from notional gearing	See Column Heading		0.82%	0.44%		11.074	4.695		0.79%	0.41%		10.309	4.239		
Gearing benefits sharing	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000		
Variance in corporation tax	See Column Heading		4.13%	5.22%		56.094	56.094		1.81%	2.28%		23.609	23.609		
Group relief	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000		
Cost of debt	See Column Heading		1.34%	1.94%		18.209	20.891		3.07%	4.32%		39.915	44.835		
Hedging instruments	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000		
Return on regulatory equity including Financing adjustments	See Column Heading		3.92%	9.40%	11.52%	53.197	127.500	123.803	3.89%	8.77%	10.90%	50.653	114.177	113.027	
<b>Operational Performance</b>															
Totex out / (under) performance	See Column Heading		-4.84%	-6.11%		-65.624	-65.624		-2.42%	-3.04%		-31.552	-31.552		
ODI out / (under) performance	See Column Heading		-0.50%	-0.63%		-6.732	-6.732		-0.13%	-0.17%		-1.755	-1.755		
C-Mex out / (under) performance	See Column Heading		0.12%	0.15%		1.610	1.610		0.10%	0.13%		1.355	1.355		
D-Mex out / (under) performance	See Column Heading		0.02%	0.02%		0.237	0.237		0.03%	0.04%		0.365	0.365		
Retail out / (under) performance	See Column Heading		-0.45%	-0.56%		-6.062	-6.062		-0.40%	-0.50%		-5.188	-5.188		
Other exceptional items	See Column Heading		0.02%	0.03%		0.290	0.290		0.03%	0.04%		0.410	0.410		
Operational performance total	See Column Heading		-5.62%	-7.10%		-76.281	-76.281		-2.79%	-3.51%		-36.365	-36.365		
RoRE (return on regulatory equity)	See Column Heading		3.92%	3.77%	4.42%	53.197	51.219	47.522	3.89%	5.98%	7.39%	50.653	77.812	76.662	
RCV growth	See Column Heading		4.60%	4.60%	4.60%	62.425	62.425	49.430	5.89%	5.89%	5.89%	76.696	76.696	61.087	
Voluntary sharing arrangements	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000		
Total shareholder return	See Column Heading		8.52%	8.37%	9.02%	115.622	113.644	96.953	9.78%	11.87%	13.28%	127.349	154.508	137.749	
<b>Dividends</b>															
Gross Dividend	See Column Heading		2.01%	3.93%	4.97%	27.277	53.366	53.366	2.01%	4.35%	5.46%	26.173	56.623	56.623	
Interest Receivable on Intercompany loans	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000		
Retained Value	See Column Heading		6.51%	4.44%	4.06%	88.345	60.278	43.587	7.77%	7.52%	7.82%	101.176	97.885	81.126	
<b>Cash impact of 2015-20 performance adjustments</b>															
Totex out / (under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000		
ODI out / (under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		0.54%	0.68%		7.045	7.045		
Total out / (under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		0.54%	0.68%		7.045	7.045		

# Section 2: Price review and other segmental reporting

## Land sales

During the year three plots of land were sold with total net proceeds of £774k. None of these were above the threshold for reporting such disposals to Ofwat. There were no qualifying disposals.

## Retail

The table below shows actual retail operating costs as detailed in Table 2C, against those assumed in Ofwat’s Final Determination in 2019.

	Actual (£m)	Allowed (£m)
Household Retail	36.8	29.3

### *Retail: household*

This year our retail operating costs were higher than those set at the PR19 final determination. This is an increase of £6.0m when compared to last year’s result of £30.8m. This includes the effects of:

- a £5.1m increase in doubtful debt costs to reflect the remaining uncertainty surrounding the impact of high inflation and unemployment rates on household disposable incomes combined with higher customer bills
- a £1.2m increase in doubtful debts costs relating to the impact of increased tariff rates
- Staff pay awards reflecting an increase of 7.2% effective 1 April 2023
- Ongoing business process changes and efficiencies.

We continue to expect to generate efficiencies, in both debt collection and customer service expenditure by implementing a new billing system over the coming years.

Alongside this our service continues to be amongst the best in the industry. The Consumer Council for Water (CCW) published data showing that, for the thirteenth year in a row we continue to receive the lowest number of written complaints (per 10,000 connected properties) of any water and sewerage company. We also achieved the top ranking of water and sewerage companies in the customer measure of experience (C-MeX).

### *Retail: non-household*

We no longer operate in the retail non-household market.



## Wholesale revenues

In 2023-24 we recovered £529.1m wholesale revenue against a final determination allowance of £545.5m; a shortfall of 3%. A breakdown of the variance against the final determination is shown in the table below.

### Wholesale Revenues - Summary

Item	Units	Water resources	Water network+	Wastewater network+	Bioresources	Total
Revenue cap	£m	£22.8	£181.3	£307.0	£34.5	£545.5
Revenue Recovered	£m	£21.9	£171.5	£301.5	£34.2	£529.1
Revenue imbalance	£m	-£0.8	-£9.8	-£5.5	-£0.3	-£16.4
Revenue imbalance (% of cap)	%	-3.7%	-5.4%	-1.8%	-0.9%	-3.0%

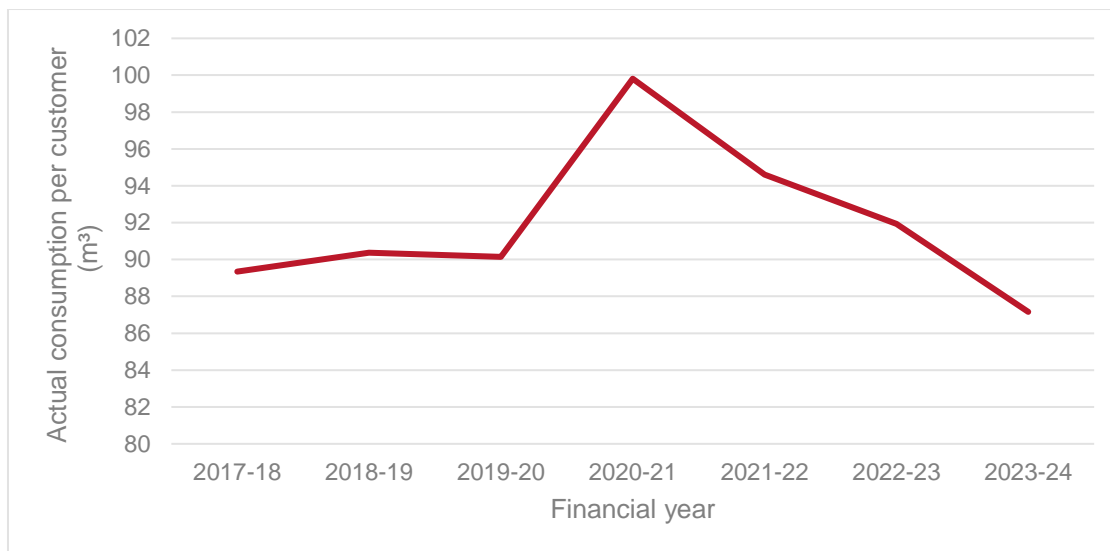
All wholesale price controls are showing a revenue under-recovery. The main drivers of this under-recovery is lower than expected consumption, both for households and non-households and a reduction in developer services activity. Each is discussed in turn.

### Household consumption

Household consumption has continued to fall in 2023-24 as illustrated below. We consider this could be attributable to a number of factors:

- A return to pre-pandemic behaviours, such as a sustained return to workplaces
- The success of campaigns we run to encourage customers to use less water
- Sustained behavioural change since the cost-of-living crisis and energy price rises, meaning customers are focused on saving water, saving money and also through reducing the use of heated water.

### Average residential measured water consumption

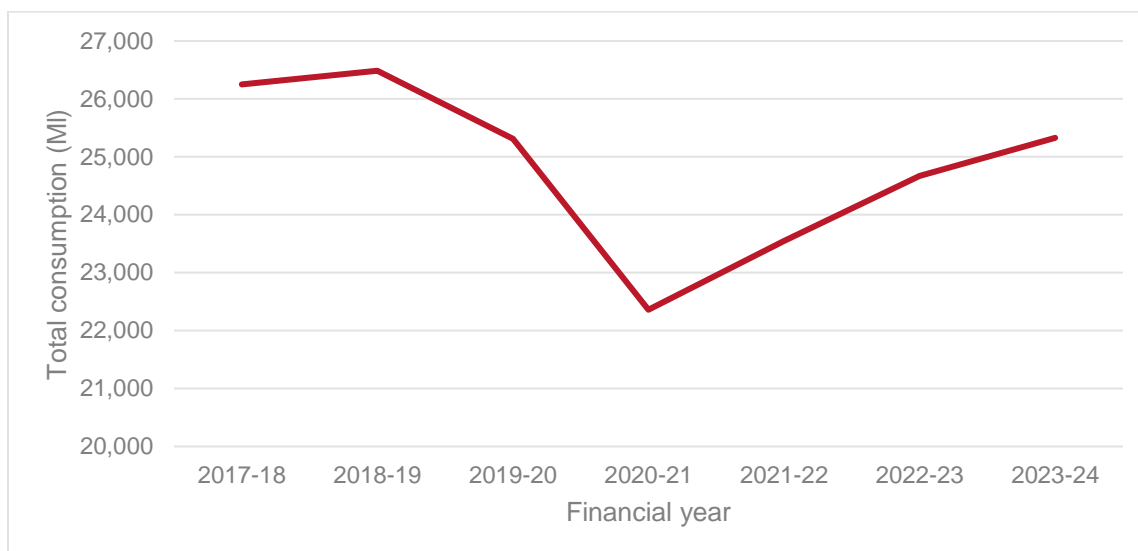


### Non-household consumption

Non-household consumption has continued to increase in 2023-24 as illustrated below. Although consumption has risen, we had forecast in our charges a return closer to pre-pandemic levels, this has not been the case. This is likely due to the economic slowdown as a result of the cost of living and energy crises.

## Section 2: Price review and other segmental reporting

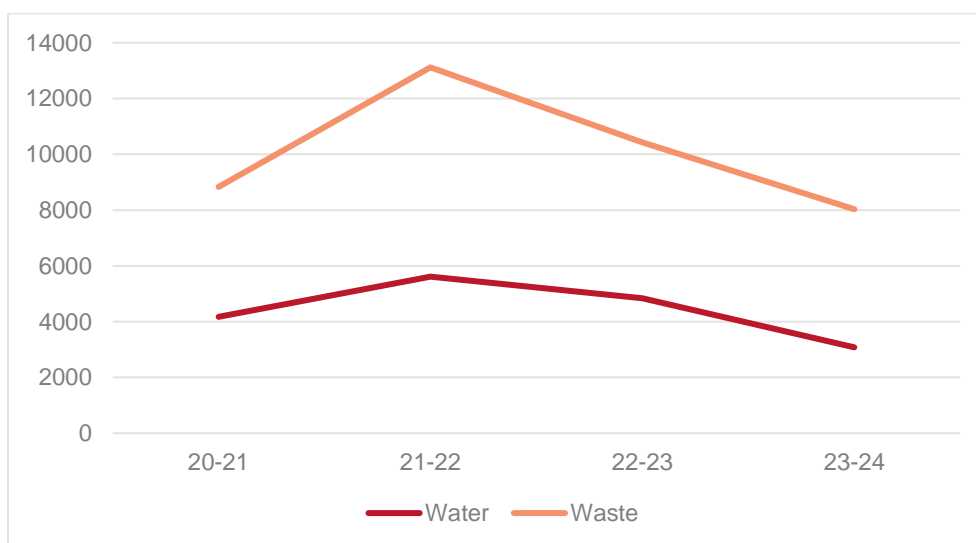
### Non-household measured water total consumption



### Developer services activity

There has been a shortfall on Developer Services revenue against our charges forecast and this is due to a reduction in activity and new connections undertaken by us in the year, as is illustrated below. This is due to increase competition in this space, as NAVs continue to gain significant market share as well as a slowdown due to the macroeconomic circumstances and legislative position, i.e. nutrient neutrality.

### Number of new connections (APR 4Q.3)



## Social tariffs

The Company continues to offer a range of social tariffs at varying levels of support to ensure that those in need receive the assistance that they require. A breakdown is given in the table below.

### Social tariff customer numbers 2023-24

Section 2: Price review and other segmental reporting

Customer numbers	Unit	Assist	WaterSure	Discount for Low Income Pensioners	Total
Business plan forecast	nr	16,513	11,116	50,177	77,806
Actual	nr	19,948	9,228	26,454	55,630
Variance	nr	3,435	-1,888	-23,723	-22,176

We have seen an increase in numbers on all three social tariffs during 2023-24. Our performance on each tariff is reviewed in detail below.

**Assist**

*Assist customer numbers AMP summary*

	Unit	2020-21	2021-22	2022-23	2023-24	2024-25 forecast	AMP total forecast
Actual/updated forecast	nr	935	1,244	1,770	3,152	1,800	8,901
Business plan forecast	nr	900	900	900	900	900	4,500
Variance	nr	35	344	870	2,252	900	4,401

2023-24 has been our strongest year to date this AMP for adding customers onto Assist and we forecast this performance to continue for the remainder of the AMP. This outperformance is achieved mainly through the delivery of the initiatives set out in our vulnerability strategy, Every Customer Matters.

Although we may have expected the financial impact of Covid and the cost of living crisis to drive up volumes further on the tariff in 2020-21, 2021-22, and 2022-23 this had not been the case. We documented the reasons why Covid didn't drive up volumes in previous years' commentary. Our debt advice partners are now supporting pre covid numbers of customers to apply for our schemes.

We previously set out (22-23) that we expected a further uplift in help needed from customers due to the cost of living crisis and had put measures in place, working with our expert advisors and partners to deliver this help. We consider this is apparent in the 23-24 figures above.

We recognise there are a number of factors impacting customer uptake of our Assist support. For example, during 2023-24, there has been some protection due to the cost of living payments provided via energy companies and Councils. And for many customers, dealing with debt is the last thing on their minds while they are living in moments of crisis.

To counteract some of the challenges, raise awareness and increase uptake of our support we have continued to put additional initiatives in place.

*Extra debt advice funding*

We injected an additional £160,000 into the sector. This funded 7 new projects which were a mix of additional debt advisor training courses, funding more advisor roles and hours, establishing new cost-of-living advisor roles, and funding presence in warm spaces and other outreach.

*Fast Track Assist*

We launched a new approach for our main social tariff, Assist during 2022-23. We made it easier and quicker to access the large discounts that Assist can provide. When a customer gets in touch, we will apply

## Section 2: Price review and other segmental reporting

a discount of 50% immediately to their bill if Assist is felt to be the best option for their circumstances. They will then be asked to seek debt advice and once that has been done and we understand the correct level of discount needed, we will adjust the Assist band and backdate if required. We will only backdate in favour of the customer, not the other way around. This approach should give customers more peace of mind and our debt advice partners longer to carry out their holistic assessment. We continue to offer this support although now that agency numbers are increasing we may review the scheme.

### *Promotional activities*

Affordability messaging is already very prominent on bills, in billing associated literature, on our website and we continually promote our support via our magazine, e-news articles and through more than 300 partners. In addition, we have:

- Increased the messaging on our bills and on our website to highlight next year's expected bill rise, how customers can get help paying their bills and how they can also save water to save money
- Carried out targeted social media messaging across our region using a cost of living/struggling to pay message which has been very successful
- Provided promotional flyers in parent packs given out in Chippenham
- Hospital Magazine Advertising
- A page within a schools magazine we provided to Chippenham Schools
- Advertised on petrol pumps in deprived areas of our region
- An article in Kidney Matters magazine
- Included a double-spread cost-of-living article in our own Autumn magazine
- Promoted affordability support to Wessex Water colleagues, their friends, and family during Talk Money Week
- Funded some Public Living Rooms in council areas and provided promotional flyers. Public living rooms are safe, warm spaces set up in community centres, church halls, and some cafes where hot drinks, phone charging facilities, and internet connection are provided for those most in need
- Encouraged and enabled our many partners to promote our schemes through our PartnerHub post.

### *Building new partnerships*

- Utilised our data share partnership with North Somerset Council to auto enrol customers on to Discount for low income pensioners
- Introduced care leaver Assist, giving a 90% bill reduction to those leaving care and becoming bill payers for the first time
- Working with Kidney Care UK to raise awareness of our schemes through a variety of ways
- Directly referring our customers to Money Wellness for debt advice through a web portal and with consent are able to receive customer data back and support them with the right scheme.

### *Simple application process*

We are pleased that following one of the recommendations of our CCW affordability review pilot (All water companies should operate a simple application process that covers all support schemes) we launched a new help with your bills eligibility calculator. This is now live on our website.

### *Future forecasts*

We expect to see an increase in numbers on our tariffs as all of the government support fully unwinds and the cost of living increases really start to impact household finances. We will continue to engage closely with our partners and expert advisors and are ready to flex our suite of support as and when required. We will also introduce further data shares and auto-enrol customers onto schemes where we can.

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We believe our change to Assist, data sharing with councils, promotional activity, and improvements to the customer journey will all have a positive impact on the growth in Assist throughout 2024-25.

WaterSure

*WaterSure customer numbers AMP summary*

	Unit	2020-21	2021-22	2022-23	2023-24	2024-25 forecast	AMP total forecast
Actual/updated forecast	nr	883	-134	287	681	396	2,113
Business plan forecast	nr	700	700	700	700	700	3,500
Variance	nr	183	-834	-413	-19	-304	-1,387

We are behind our forecast for WaterSure this year. During 2020-21 we were more generous in the time given to customers to renew. A return to our normal renewals process had a knock-on impact into 2021-22 as more customers were removed from the scheme than we would expect in one year. This settled down in 2022-23 as we caught up with the backlog and saw a slight uplift in the numbers on the tariff. In 2023-24 we have fared much better almost reaching our business plan forecast.

We made some changes to our WaterSure process during 2022-23 to make it easier for customers to renew. We introduced a lighter-touch renewal process, including a new online self-service form. We believe this accounts for the positive uptake in the scheme this year.

*Future forecasts*

We hope that the changes we have made to simplify our process will continue to benefit us in 2024-25 and lead to an increase in the overall volume of customers on the tariff. We are also going to move to a self-declaration approach for those applying due to a medical need. This should remove some of the barriers these customers face when applying for the scheme. We are also going to start using our data share with the DWP to re-confirm customer eligibility removing the need to rely on a customer response.

Discount for Low Income Pensioners

*Discount for Low Income Pensioners customer numbers AMP summary*

	Unit	2020-21	2021-22	2022-23	2023-24	2024-25 forecast	AMP total forecast
Actual/updated forecast	nr	1,432	648	1,268	4,630	6,000	13,978
Business plan forecast	nr	7,000	7,000	7,000	7,000	7,000	35,000
Variance	nr	-5,568	-6,352	-5,732	-2,370	-1,000	-21,022

We have seen a significant increase in customers added to our Discount for Low Income Pensioners this year and much greater than the rest of the AMP. However, we have still fallen short of our targets. Our data share with the DWP and Councils has helped but we hadn't taken into account how many customers organically are removed from this scheme. Our data share with North Somerset Council helped us to add 1,900 customers to the scheme.

*Future forecasts*

## Section 2: Price review and other segmental reporting

We continue to send data to the DWP and auto-enrol matched customers onto our scheme. We are exploring data sharing with the other councils across our region.

### **Comment from CCW**

One of the requirements of the performance commitment is to provide a comment from CCW on the quality of the Company's efforts to target financial support. CCW provided the following:

“It's vital the financial support offered by water companies is well targeted to reach those who need it most which is why we support Wessex Water's continued efforts to help customers manage their bills, including making it quicker and easier for people to move to their Assist tariff.

We know many low-income customers don't expect to receive financial help from their water company so it's great that Wessex is working in partnership with organisations to help identify people who might benefit from assistance. People should find getting help if they're struggling to pay straightforward, so shouldn't hesitate to contact Wessex if they need help.”

### **Biennial report**

Another requirement of this performance commitment is to publish a report at least biennially which includes an analysis of the percentage of customers who receive affordability support via social tariffs who continue to pay their bill in full or in part, along with proposals for any changes that could improve the payment rate among customers.

To fulfil this requirement we present information to our expert Vulnerability Advisory Panel (VAP) each year and seek their endorsement for this along with other data, proposed changes to our schemes and initiatives to raise awareness and increase uptake of our support.

We also include this information in our vulnerability strategy, Every Customer Matters, updated and published each autumn following endorsement by our VAP. We share our strategy document more widely with stakeholders including via our PartnerHub. A copy of Every Customer Matters can be found on our PartnerHub website.

Detail on social tariff performance can be found throughout the document.

### **Summary**

In summary, it has been our strongest year of this AMP for social tariff growth, mainly due to our efforts to support customers through our main social tariff, Assist, where customer growth has exceeded targets. There are however a number of factors to consider when reflecting on the AMP to date and the next year, including the impacts of COVID, cost of living, inflation, behavioural and consumption trends. In addition, not being able to re-calibrate the PC target at the start of the AMP has meant we have been challenged with a level of unforeseen 'catch-up' and it is therefore likely that we will remain in penalty for the final year of the AMP.

Our proposed outcome of removing all customers from water poverty by 2030 should be a more effective measure of our efforts to support customers which is less impacted by factors such as price determinations and inflation.

Section 2: Price review and other segmental reporting

Pro forma 2A

Segmental income statement for the 12 months ended 31 March 2024

Line description	Units	DPs	Residential retail	Business retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total	RAG 4 reference
Revenue - price control	£m	3	30.718	0.000	21.931	167.740	297.462	34.156	0.000	552.007	2A.1
Revenue - non price control	£m	3	0.000	0.000	0.016	2.758	0.953	0.112	0.000	3.839	2A.2
Operating expenditure - excluding PU recharge impact	£m	3	-32.528	0.000	-12.897	-87.165	-129.306	-29.878	0.000	-291.774	2A.3
PU opex recharge	£m	3	-0.315	0.000	-0.189	-1.392	2.344	-0.448	0.000	0.000	2A.4
Operating expenditure - including PU recharge impact	£m	3	-32.843	0.000	-13.086	-88.557	-126.962	-30.326	0.000	-291.774	2A.5
Depreciation - tangible fixed assets	£m	3	-0.281	0.000	-2.750	-36.565	-58.290	-8.973	0.000	-106.859	2A.6
Amortisation - intangible fixed assets	£m	3	-0.535	0.000	-0.233	-2.310	-5.004	-0.611	0.000	-8.693	2A.7
Other operating income	£m	3	-10.738	0.000	-0.044	0.506	-0.075	-0.145	0.000	-10.496	2A.8
Operating profit	£m	3	-13.679	0.000	5.834	43.572	108.084	-5.787	0.000	138.024	2A.9
Surface water drainage rebates	£m	3								0.141	2A.10

Section 2: Price review and other segmental reporting

Pro forma 2B



Totex analysis for the 12 months ended 31 March 2024 - wholesale

Line description	Units	DPs	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total	RAG 4 reference
<b>Base operating expenditure</b>									
Power	£m	3	3.755	11.637	34.576	1.571		51.539	2B.1
Income treated as negative expenditure	£m	3	-0.002	-0.051	-0.057	-4.781		-4.891	2B.2
Service charges/ discharge consents	£m	3	2.806	0.160	3.946	0.025		6.937	2B.3
Bulk Supply/Bulk discharge	£m	3	0.000	1.999	0.068	0.013		2.080	2B.4
Renewals expensed in year (Infrastructure)	£m	3	0.354	6.778	9.323	0.000		16.455	2B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000		0.000	2B.6
Other operating expenditure (including Location specific costs & obligations)	£m	3	3.896	52.769	62.059	31.032		149.756	2B.7
Local authority and Cumulo rates	£m	3	0.621	10.239	8.129	1.877		20.866	2B.8
<b>Total base operating expenditure</b>	<b>£m</b>	<b>3</b>	<b>11.430</b>	<b>83.531</b>	<b>118.044</b>	<b>29.737</b>	<b>0.000</b>	<b>242.742</b>	<b>2B.9</b>
<b>Other operating expenditure</b>									
Enhancement operating expenditure	£m	3	0.885	2.201	6.905	0.589		10.580	2B.10
Developer services operating expenditure	£m	3	0.000	1.991	0.472	0.000		2.463	2B.11
<b>Total operating expenditure excluding third party services</b>	<b>£m</b>	<b>3</b>	<b>12.315</b>	<b>87.723</b>	<b>125.421</b>	<b>30.326</b>	<b>0.000</b>	<b>255.785</b>	<b>2B.12</b>
Third party services	£m	3	0.771	0.834	1.597	0.000		3.202	2B.13
<b>Total operating expenditure</b>	<b>£m</b>	<b>3</b>	<b>13.086</b>	<b>88.557</b>	<b>127.018</b>	<b>30.326</b>	<b>0.000</b>	<b>258.987</b>	<b>2B.14</b>
<b>Grants and contributions</b>									
Grants and contributions - operating expenditure	£m	3	0.000	1.655	0.941	0.000		2.596	2B.15



## Section 2: Price review and other segmental reporting

Capital expenditure									
Base capital expenditure	£m	3	3.348	48.657	82.875	34.143		169.023	2B.16
Enhancement capital expenditure	£m	3	3.738	11.351	173.371	2.315		190.775	2B.17
Developer services capital expenditure	£m	3	0.000	4.990	6.432	0.000		11.422	2B.18
Total gross capital expenditure excluding third party services	£m	3	7.086	64.998	262.678	36.458	0.000	371.220	2B.19
Third party services	£m	3	0.000	0.000	0.000	0.000		0.000	2B.20
Total gross capital expenditure	£m	3	7.086	64.998	262.678	36.458	0.000	371.220	2B.21
Grants and contributions									
Grants and contributions - capital expenditure	£m	3	0.000	2.135	3.146	0.000		5.281	2B.22
Net totex	£m	3	20.172	149.765	385.609	66.784	0.000	622.330	2B.23
Cash expenditure									
Pension deficit recovery payments	£m	3	0.957	6.865	8.252	2.326		18.400	2B.24
Other cash items	£m	3	0.000	0.000	0.000	0.000		0.000	2B.25
Totex including cash items	£m	3	21.129	156.630	393.861	69.110	0.000	640.730	2B.26

Section 2: Price review and other segmental reporting

Pro forma 2C

Cost analysis for the 12 months ended 31 March 2024 - retail

Line description	Units	DPs	Residential	Business	Total	RAG 4 reference
<b>Operating expenditure</b>						
Customer services	£m	3	9.075	0.000	9.075	2C.1
Debt management	£m	3	2.752	0.000	2.752	2C.2
Doubtful debts	£m	3	19.404	0.000	19.404	2C.3
Meter reading	£m	3	1.609	0.000	1.609	2C.4
Services to developers	£m	3	0.000	0.000	0.000	2C.5
Other operating expenditure	£m	3	2.833	0.000	2.833	2C.6
Local authority and Cumulo rates	£m	3	0.033	0.000	0.033	2C.7
Total operating expenditure excluding third party services	£m	3	35.706	0.000	35.706	2C.8
<b>Depreciation</b>						
Depreciation (tangible fixed assets) on assets existing at 31 March 2015	£m	3	0.072	0.000	0.072	2C.9
Depreciation (tangible fixed assets) on assets acquired after 1 April 2015	£m	3	0.209	0.000	0.209	2C.10
Amortisation (intangible fixed assets) on assets existing at 31 March 2015	£m	3	0.000	0.000	0.000	2C.11
Amortisation (intangible fixed assets) on assets acquired after 1 April 2015	£m	3	0.535	0.000	0.535	2C.12

Section 2: Price review and other segmental reporting

Recharges						
Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	£m	3	0.020	0.000	0.020	2C.13
Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	£m	3	0.000	0.000	0.000	2C.14
Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	£m	3	0.295	0.000	0.295	2C.15
Income from wholesale assets acquired after 1 April 2015 principally used by retail	£m	3	0.000	0.000	0.000	2C.16
Net recharges costs	£m	3	0.315	0.000	0.315	2C.17
Total retail costs excluding third party and pension deficit repair costs	£m	3	36.837	0.000	36.837	2C.18
Third party services operating expenditure	£m	3	0.000	0.000	0.000	2C.19
Pension deficit repair costs	£m	3	0.000	0.000	0.000	2C.20
Total retail costs including third party and pension deficit repair costs	£m	3	36.837	0.000	36.837	2C.21
Debt written off						
Debt written off	£m	3	12.912	0.000	12.912	2C.22
Capital expenditure						
Capital expenditure	£m	3	2.296	0.000	2.296	2C.23

## Section 2: Price review and other segmental reporting

Other operating expenditure includes the net retail expenditure for the following household retail activities which are part funded by wholesale

Demand-side water efficiency - gross expenditure	£m	3	0.247
Demand-side water efficiency - expenditure funded by wholesale	£m	3	0.247
Demand-side water efficiency - net retail expenditure	£m	3	0.000

2C.24
2C.25
2C.26

Customer-side leak repairs - gross expenditure	£m	3	4.146
Customer-side leak repairs - expenditure funded by wholesale	£m	3	4.146
Customer-side leak repairs - net retail expenditure	£m	3	0.000

2C.27
2C.28
2C.29

Comparison of actual and allowed expenditure

Cumulative actual retail expenditure to reporting year end	£m	3	136.645
Cumulative allowed expenditure to reporting year end	£m	3	112.022
Total allowed expenditure 2020-25	£m	3	141.530

2C.30
2C.31
2C.32

Section 2: Price review and other segmental reporting

Pro forma 2D

Historic cost analysis of tangible fixed assets at 31 March 2024

Line description	Units	DPs	Residential Retail	Business Retail	Water resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total	RAG 4 reference
<b>Cost</b>											
At 1 April 2023	£m	3	23.593	0.000	103.589	1,556.746	3,119.131	308.331	0.000	5,111.390	2D.1
Disposals	£m	3	-0.018	0.000	-1.140	-3.939	-17.454	-2.082	0.000	-24.633	2D.2
Additions	£m	3	-0.667	0.000	8.034	63.389	262.105	35.479	0.000	368.340	2D.3
Adjustments	£m	3	0.000	0.000	-0.001	-0.006	-0.483	0.490	0.000	0.000	2D.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	4.944	0.000	0.000	4.944	2D.5
At 31 March 2024	£m	3	22.908	0.000	110.482	1,616.190	3,368.243	342.218	0.000	5,460.041	2D.6
<b>Depreciation</b>											
At 1 April 2023	£m	3	-13.353	0.000	-42.707	-432.605	-1,037.060	-143.558	0.000	-1,669.283	2D.7
Disposals	£m	3	0.010	0.000	0.983	3.582	16.164	1.758	0.000	22.497	2D.8
Adjustments	£m	3	0.000	0.000	0.000	0.001	0.266	-0.267	0.000	0.000	2D.9
Charge for year	£m	3	-0.281	0.000	-2.750	-36.565	-58.290	-8.973	0.000	-106.859	2D.10
At 31 March 2024	£m	3	-13.624	0.000	-44.474	-465.587	-1,078.920	-151.040	0.000	-1,753.645	2D.11
Net book amount at 31 March 2024	£m	3	9.284	0.000	66.008	1,150.603	2,289.323	191.178	0.000	3,706.396	2D.12

Section 2: Price review and other segmental reporting

Net book amount at 1 April 2023	£m	3	10.240	0.000	60.882	1,124.141	2,082.071	164.773	0.000	3,442.107	2D.13
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Depreciation charge for year											
Principal services	£m	3	-0.281	0.000	-2.750	-36.565	-58.290	-8.973	0.000	-106.859	2D.14
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.15
Total	£m	3	-0.281	0.000	-2.750	-36.565	-58.290	-8.973	0.000	-106.859	2D.16

Section 2: Price review and other segmental reporting

Pro forma 2E

**Analysis of 'grants and contributions' for the 12 months ended 31 March 2024 - water resources, water network+ and w**

Line description	Units	DPs	Fully recognised in income statement	Capitalised and amortised (in income statement)	Fully netted off capex	Total	RAG 4 reference
<b>Grants and contributions - water resources</b>							
Diversions - s185	£m	3	0.000	0.000	0.000	0.000	2E.1
Other contributions (price control)	£m	3	0.000	0.000	0.000	0.000	2E.2
Price control grants and contributions	£m	3	0.000	0.000	0.000	0.000	2E.3
Diversions - NRSWA	£m	3	0.000	0.000	0.000	0.000	2E.4
Diversions - other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.5
Other contributions (non-price control)	£m	3	0.000	0.000	0.000	0.000	2E.6
Total grants and contributions	£m	3	0.000	0.000	0.000	0.000	2E.7
Value of adopted assets	£m	3	0.000	0.000		0.000	2E.8
<b>Grants and contributions - water network+</b>							
Connection charges	£m	3	1.566	0.000	0.000	1.566	2E.9
Infrastructure charge receipts – new connections	£m	3	0.000	1.132	0.000	1.132	2E.10
Requisitioned mains	£m	3	0.000	1.475	0.000	1.475	2E.11
Diversions - s185	£m	3	0.087	0.000	0.000	0.087	2E.12
Other contributions (price control)	£m	3	0.000	0.000	0.000	0.000	2E.13
Price control grants and contributions before deduction of income offset	£m	3	1.653	2.607	0.000	4.260	2E.14
Income offset	£m	3	0.000	0.479	0.000	0.479	2E.15
Price control grants and contributions after deduction of income offset	£m	3	1.653	2.128	0.000	3.781	2E.16
Diversions - NRSWA	£m	3	0.002	0.000	0.000	0.002	2E.17

Section 2: Price review and other segmental reporting

Diversions - other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.18
Other contributions (non-price control)	£m	3	0.000	0.007	0.000	0.007	2E.19
Total grants and contributions	£m	3	1.655	2.135	0.000	3.790	2E.20

Value of adopted assets	£m	3	0.000	0.000		0.000	2E.21
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Grants and contributions - wastewater network+							
Receipts for on-site work	£m	3	0.551	0.442	0.000	0.993	2E.22
Infrastructure charge receipts – new connections	£m	3	0.000	2.167	0.000	2.167	2E.23
Diversions - s185	£m	3	0.213	0.000	0.000	0.213	2E.24
Other contributions (price control)	£m	3	0.177	0.884	0.000	1.061	2E.25
Price control grants and contributions before deduction of income offset	£m	3	0.941	3.493	0.000	4.434	2E.26
Income offset	£m	3	0.000	0.403	0.000	0.403	2E.27
Price control grants and contributions after deduction of income offset	£m	3	0.941	3.090	0.000	4.031	2E.28
Diversions - NRSWA	£m	3	0.000	0.000	0.000	0.000	2E.29
Diversions - other non-price control	£m	3	0.000	0.000	0.000	0.000	2E.30
Other Contributions (non-price control)	£m	3	0.000	0.056	0.000	0.056	2E.31
Total grants and contributions	£m	3	0.941	3.146	0.000	4.087	2E.32

Value of adopted assets	£m	3	0.000	4.944		4.944	2E.33
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Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Total
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Movements in capitalised grants and contributions							
b/f	£m	3	0.000	72.295	131.384	203.679	2E.34
Capitalised in year	£m	3	0.000	2.135	3.146	5.281	2E.35
Amortisation (in income statement)	£m	3	0.000	-0.750	-1.490	-2.240	2E.36
c/f	£m	3	0.000	73.680	133.040	206.720	2E.37



## Pro forma 2F

## Residential retail for the 12 months ended 31 March 2024

Line description	Revenue	Number of customers	Average residential revenues	RAG 4 reference
Units	£m	000s	£	
DPs	3	3	3	
<b>Residential revenue</b>				
Wholesale revenue	424.717			2F.1
Retail revenue	30.718			2F.2
Total residential revenue	455.435			2F.3
<b>Retail revenue</b>				
Revenue Recovered ("RR" )	30.718			2F.4
Revenue sacrifice	0.000			2F.5
Actual revenue (net)	30.718			2F.6
<b>Customer information</b>				
Actual customers ("AC" )		1,255.625		2F.7
Reforecast customers		1,264.801		2F.8
<b>Adjustment</b>				
Allowed revenue ("R" )	32.645			2F.9
Net adjustment	1.926			2F.10
<b>Other residential information</b>				
Average household retail revenue per customer			24.465	2F.11

## Pro forma 2I

## Revenue analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Household	Non- household	Total	Water resources	Water network+	Total	RAG 4 reference
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Wholesale charge - water									
Unmeasured	£m	3	49.762	1.976	51.737	6.004	45.733	51.737	2I.1
Measured	£m	3	87.011	50.231	137.242	15.927	121.315	137.242	2I.2
Third party revenue	£m	3	0.000	0.692	0.692	0.000	0.692	0.692	2I.3
<b>Total wholesale water revenue</b>	<b>£m</b>	<b>3</b>	<b>136.772</b>	<b>52.899</b>	<b>189.671</b>	<b>21.931</b>	<b>167.740</b>	<b>189.671</b>	<b>2I.4</b>

Line description	Units	DPs	Household	Non- household	Total	Wastewater network+	Bioresources	Total
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Wholesale charge - wastewater									
Unmeasured - foul charges	£m	3	80.281	2.552	82.833	74.248	8.586	82.833	2I.5
Unmeasured - surface water charges	£m	3	8.141	0.258	8.400	7.529	0.871	8.400	2I.6
Unmeasured - highway drainage charges	£m	3	8.339	0.277	8.616	7.723	0.893	8.616	2I.7
Measured - foul charges	£m	3	132.080	50.347	182.427	163.518	18.909	182.427	2I.8
Measured - surface water charges	£m	3	20.707	3.120	23.827	21.357	2.470	23.827	2I.9
Measured - highway drainage charges	£m	3	20.227	3.200	23.427	20.999	2.428	23.427	2I.10
Third party revenue	£m	3	0.000	2.087	2.087	2.087	0.000	2.087	2I.11
<b>Total wholesale wastewater revenue</b>	<b>£m</b>	<b>3</b>	<b>269.776</b>	<b>61.842</b>	<b>331.618</b>	<b>297.462</b>	<b>34.156</b>	<b>331.618</b>	<b>2I.12</b>

Wholesale charge - Additional Control									
Unmeasured	£m	3	0.000	0.000	0.000				2I.13
Measured	£m	3	0.000	0.000	0.000				2I.14

Section 2: Price review and other segmental reporting

Total wholesale additional control revenue	£m	3	0.000	0.000	0.000	21.15
Wholesale Total	£m	3	406.548	114.740	521.289	21.16
<b>Retail revenue</b>						
Unmeasured	£m	3	7.287	0.000	7.287	21.17
Measured	£m	3	23.431	0.000	23.431	21.18
Retail third party revenue	£m	3	0.000	0.000	0.000	21.19
Total retail revenue	£m	3	30.718	0.000	30.718	21.20
<b>Third party revenue - non-price control</b>						
Bulk supplies - water	£m	3			0.376	21.21
Bulk supplies - wastewater	£m	3			0.674	21.22
Other third-party revenue - non price control	£m	3			1.750	21.23
<b>Principal services - non-price control</b>						
Other appointed revenue	£m	3			1.038	21.24
Total appointed revenue	£m	3			555.845	21.25

## Pro forma 2J

## Infrastructure network reinforcement costs for the 12 months ended 31 March

Line description	Units	DPs	Network reinforcement capex	On site / site specific capex (memo only)	RAG 4 reference
<b>Wholesale water network+ (treated water distribution)</b>					
Distribution and trunk mains	£m	3	0.838	4.136	2J.1
Pumping and storage facilities	£m	3	0.000	0.016	2J.2
Other	£m	3	0.000	0.000	2J.3
<b>Total</b>	<b>£m</b>	<b>3</b>	<b>0.838</b>	<b>4.152</b>	<b>2J.4</b>
<b>Wholesale wastewater network+ (sewage collection)</b>					
Foul and combined systems	£m	3	2.289	1.630	2J.5
Surface water only systems	£m	3	0.353	0.171	2J.6
Pumping and storage facilities	£m	3	1.069	0.657	2J.7
Other	£m	3	0.000	0.000	2J.8
<b>Total</b>	<b>£m</b>	<b>3</b>	<b>3.711</b>	<b>2.458</b>	<b>2J.9</b>

## Pro forma 2K

### Infrastructure charges reconciliation for the 12 months ended 31 March 2024

Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
<b>Impact of infrastructure charge discounts</b>						
Infrastructure charges	£m	3	1.132	2.167	3.299	2K.1
Discounts applied to infrastructure charges	£m	3	0.000	0.000	0.000	2K.2
Gross Infrastructure charges	£m	3	1.132	2.167	3.299	2K.3
<b>Comparison of revenue and costs</b>						
Variance brought forward	£m	3	2.905	-11.490	-8.585	2K.4
Revenue	£m	3	1.132	2.167	3.299	2K.5
Costs	£m	3	-0.838	-3.711	-4.549	2K.6
Variance carried forward	£m	3	3.199	-13.034	-9.835	2K.7

Pro forma 2L

**Analysis of land sales for the 12 months ended 31 March 2024**

Line description	Units	DPs	Water resources	Water Network+	Wastewater Network+	Additional control	Total	RAG 4 reference
Land sales – proceeds from disposals of protected land	£m	3	0.435	0.339	0.000	0.000	0.774	2L.1

Section 2: Price review and other segmental reporting

Pro forma 2M

Revenue reconciliation for the 12 months ended 31 March 2024 - wholesale

Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Bioresources	Additional Control	Total	RAG 4 reference
<b>Revenue recognised</b>									
Wholesale revenue governed by price control	£m	3	21.874	167.303	309.007	35.491	0.000	533.675	2M.1
Grants & contributions (price control)	£m	3	0.000	3.781	4.031	0.000	0.000	7.812	2M.2
Total revenue governed by wholesale price control	£m	3	21.874	171.084	313.038	35.491	0.000	541.487	2M.3
<b>Calculation of the revenue cap</b>									
Allowed wholesale revenue before adjustments (or modified by CMA)	£m	3	22.440	175.307	302.292	36.628	0.000	536.667	2M.4
Allowed grants & contributions before adjustments (or modified by CMA)	£m	3	0.000	3.781	4.031	0.000	0.000	7.812	2M.5
Revenue adjustment	£m	3	0.330	2.240	0.630	-2.156	0.000	1.044	2M.6
Other adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	2M.7
Revenue cap	£m	3	22.770	181.328	306.953	34.472	0.000	545.523	2M.8
<b>Calculation of the revenue imbalance</b>									
Revenue cap	£m	3	22.770	181.328	306.953	34.472	0.000	545.523	2M.9
Revenue Recovered	£m	3	21.874	171.084	313.038	35.491	0.000	541.487	2M.10
Revenue imbalance	£m	3	0.896	10.244	-6.085	-1.020	0.000	4.036	2M.11

Section 2: Price review and other segmental reporting

Pro forma 2N				
Household affordability support and debt				
Line description	Revenue	Number of customers	Average amount per customer	RAG 4 reference
Units	£m	000s	£	
DPs	3	3	3	
<b>Section A - social tariffs</b>				
<b>Number of residential customers on social tariffs</b>				
Residential water only social tariffs customers		0.705		2N.1
Residential wastewater only social tariffs customers		30.053		2N.2
Residential dual service social tariffs customers		24.872		2N.3
<b>Number of residential customers not on social tariffs</b>				
Residential water only no social tariffs customers		41.233		2N.4
Residential wastewater only no social tariffs customers		641.135		2N.5
Residential dual service no social tariffs customers		517.627		2N.6
<b>Social tariff discount</b>				
Average discount per water only social tariffs customer			96.454	2N.7
Average discount per wastewater only social tariffs customer			126.443	2N.8
Average discount per dual service social tariffs customer			231.023	2N.9
<b>Social tariff cross-subsidy - residential customers</b>				
Total customer funded cross-subsidies for water only social tariffs customers	0.068			2N.10
Total customer funded cross-subsidies for wastewater only social tariffs customers	3.800			2N.11
Total customer funded cross-subsidies for dual service social tariffs customers	5.746			2N.12



## Section 2: Price review and other segmental reporting

Average customer funded cross-subsidy per water only social tariffs customer			1.621	2N.13
Average customer funded cross-subsidy per wastewater only social tariffs customer			5.662	2N.14
Average customer funded cross-subsidy per dual service social tariffs customer			10.592	2N.15
<b>Social tariff cross-subsidy - company</b>				
Total revenue forgone by company to fund cross-subsidies for water only social tariffs customers	0.000			2N.16
Total revenue forgone by company to fund cross-subsidies for wastewater only social tariffs customers	0.000			2N.17
Total revenue forgone by company to fund cross-subsidies for dual service social tariffs customers	0.000			2N.18
Average revenue forgone by company to fund cross-subsidy per water only social tariffs customer			0.000	2N.19
Average revenue forgone by company to fund cross-subsidy per wastewater only social tariffs customer			0.000	2N.20
Average revenue forgone by company to fund cross-subsidy per dual service social tariffs customer			0.000	2N.21
<b>Social tariff support - willingness to pay</b>				
Level of support for social tariff customers reflected in business plan			8.610	2N.22
Maximum contribution to social tariffs supported by customer engagement			8.110	2N.23
<b>Section B - WaterSure tariffs</b>				
<b>WaterSure tariffs</b>				
Number of unique customers on WaterSure		110.737		2N.24
Total reduction in bills for WaterSure customers	2.405			2N.25
Average reduction in bills for WaterSure customers			21.718	2N.26

Section 2: Price review and other segmental reporting

Section C - other direct bill reduction schemes for household customers struggling to pay

Other bill reduction schemes

Line description	Target households	Number of unique households helped by scheme	Total amount bills reduced by through scheme	Funding source
Units	Text	000s	£m	Text
DPs		3	3	
Assist	Customers who are struggling to pay	239.378	5.671	Customers not on social tariffs
DLIP (Discount for Low Income Pensioners)	Customers in receipt of pension credit or	317.449	1.537	Customers not on social tariffs
Name of scheme 3				
Name of scheme 4				
Name of scheme 5				
Name of scheme 6				
Name of scheme 7				
Name of scheme 8				
Name of scheme 9				
Name of scheme 10				

2N.27a
2N.27b
2N.27c
2N.27d
2N.27e
2N.27f
2N.27g
2N.27h
2N.27i
2N.27j

Section 2: Price review and other segmental reporting

Section D - debt metrics

Total number of household customers served - active and final accounts

Line description	Water only	Wastewater only	Dual service
Units	000s	000s	000s
DPs	3	3	3
Number of household customers served – active accounts	47.604	699.362	557.881
Number of household customers served – final accounts	0.647	34.550	20.206

2N.28
2N.29

Household customers in arrears

Line description	Number of households	Total amount of debt
Units	000s	£m
DPs	3	3
Households in arrears – active accounts with debt repayment arrangements	14.607	11.885
Households in arrears – final accounts with debt repayment arrangements	2.942	2.043
Households in arrears – active accounts without debt repayment arrangements	51.708	48.849
Households in arrears – final accounts without debt repayment arrangements	52.461	16.656
Households not having made any payment for the year – active accounts	32.994	39.013
Households not having made any payment for the year – final accounts	44.471	14.380

2N.30
2N.31
2N.32
2N.33
2N.34
2N.35

Section 2: Price review and other segmental reporting

Temporary payment suspension		
Line description	Number of households	Total amount deferred
Units	000s	£m
DPs	3	3
Households with temporarily suspended payments – payment break arrangements	0.512	0.555
Households with temporarily suspended payments – breathing space arrangements	0.124	0.153
Household debt collection through third party agents where water company remains creditor		
Line description	Number of households	Total value of debt
Units	000s	£m
DPs	3	3
Debt collected by external agents – active accounts	0.536	0.141
Debt collected by external agents – final accounts	2.334	0.296
Number of Priority Services Register customers with debt passed on to external debt collection agents – active and final accounts	0.002	0.000

2N.36
2N.37

2N.38
2N.39
2N.40

Section 2: Price review and other segmental reporting

Household debt sold to external agencies

Line description	Number of accounts	Total value of debt	Total sale value of debt
Units	000s	£m	£m
DPs	3	3	3
Debt sold to an external agency / third party debt purchaser – active accounts	0.000	0.000	0.000
Debt sold to an external agency / third party debt purchaser – final accounts	0.000	0.000	0.000
Number of Priority Services Register customers with debt sold to an external agency / third party debt purchaser – active and final accounts	0.000	0.000	0.000

2N.41
2N.42
2N.43

Unpaid household bills referred to courts

Line description	Number of accounts	Total amount involved
Units	000s	£m
DPs	3	3
Number of county court claims	0.986	1.640
Number of county court judgements	1.040	1.661
Number of county court judgement enforcements	0.087	0.140

2N.44
2N.45
2N.46

Section 2: Price review and other segmental reporting

Number of high court claims	0.000	0.000	2N.47
Number of high court judgements	0.000	0.000	2N.48
Number of high court judgement enforcements	0.000	0.000	2N.49

Section E - Payments to household customers made in accordance with the Guaranteed Standards Scheme (GSS)

GSS payments to household customers

Line description	Number of payments	Total amount	Number of unique households
Units	000s	£m	000s
DPs	3	3	3
Total value of payments made to household customers under GSS		0.274	
Total number of payments made to household customers under GSS	3.973		
Total number of unique household customers receiving GSS payments			3.127

Section 2: Price review and other segmental reporting

Number and value of GSS and other payments to household customers by type in the reporting period					
Line description	Total number of unique payments made to household customers under GSS	Total value of payments made in relation to column 1	Total number of unique payments to household customers that could be classed as compensation or goodwill (including all payments made under GSS, customer charter payments and/or other payments e.g. goodwill payments)	Column 4 Total value of payments made in relation to column 3	
Units	000s	£m	000s	£m	
DPs	3	3	3	3	
Keeping of appointments	0.309	0.009	0.000	0.000	2N.53
Incidences of low water pressure	0.000	0.000	0.000	0.000	2N.54
Incorrect notice of planned interruptions to supply	0.172	0.005	0.000	0.000	2N.55
Supply not restored	2.170	0.073	0.000	0.000	2N.56
Written account queries and requests to change payment arrangements not actioned on time	0.088	0.002	0.000	0.000	2N.57
Written complaints not responded to within 10 working days	0.002	0.000	0.000	0.000	2N.58
Properties sewer flooded internally	0.114	0.029	0.000	0.000	2N.59

Section 2: Price review and other segmental reporting

Properties sewer flooded externally	1.119	0.156	0.000	0.000	2N.60
Customer Care Plus			0.002	0.000	2N.61a
Debt collection agency - improper action			0.004	0.000	2N.61b
Direct debit taken in error			0.002	0.000	2N.61c
Failure By OPS To be coded as advised			0.000	0.000	2N.61d
Final bill/replacement bill			0.000	0.000	2N.61e
Flooding of property by a water main			0.000	0.000	2N.61f
High pressure			0.000	0.000	2N.61g
Interest payments			0.138	0.009	2N.61h
Literature			0.000	0.000	2N.61i
Meter reading			0.003	0.000	2N.61j
Meter relocation			0.000	0.000	2N.61k
No quibble			0.872	0.049	2N.61l
Receipts			0.000	0.000	2N.61m
Repairing Manholes			0.000	0.000	2N.61n
Summons			0.003	0.000	2N.61o
Water quality (including discolouration and flushing allowance)			1.427	0.008	2N.61p
Working in the street			0.000	0.000	2N.61q
WW-Recharge			0.023	0.004	2N.61r
Late payment penalties (paid in relation to lines 2N.53 to 2N.60 )	0.024	0.000			2N.62



Section 2: Price review and other segmental reporting

Pro forma 20

Historic cost analysis of intangible fixed assets

Line description	Units	DPs	Residential Retail	Business Retail	Water Resources	Water Network+	Wastewater Network+	Bioresources	Additional Control	Total	RAG 4 reference
<b>Cost</b>											
At 1 April 2023	£m	3	19.962	0.000	3.572	25.441	39.623	4.733	0.000	93.331	20.1
Disposals	£m	3	-10.730	0.000	0.000	0.000	0.000	0.000	0.000	-10.730	20.2
Additions	£m	3	2.172	0.000	-0.193	-0.919	5.911	-0.047	0.000	6.924	20.3
Adjustments	£m	3	0.000	0.000	-0.124	-1.158	1.521	-0.239	0.000	0.000	20.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.5
At 31 March 2024	£m	3	11.404	0.000	3.255	23.364	47.055	4.447	0.000	89.525	20.6
<b>Amortisation</b>											
At 1 April 2023	£m	3	-3.353	0.000	-1.733	-12.525	-22.701	-2.750	0.000	-43.062	20.7
Disposals	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.8
Adjustments	£m	3	0.000	0.000	0.056	0.456	-0.619	0.107	0.000	0.000	20.9
Charge for year	£m	3	-0.535	0.000	-0.233	-2.310	-5.004	-0.611	0.000	-8.693	20.10

# Section 3: Performance summary

## Outcomes

2023-24 was one of the wettest years on record and inevitably this affected many of our operations. The high rainfall resulted in a significant increase in storm overflow discharges, as well as more sewer flooding and minor pollution incidents. We take this deterioration in our performance very seriously.

We need to continue to build our resilience to the rapidly changing climate as seen this year. We are investing £3 million a month on storm overflows. We have deployed monitors on every overflow to guide our priorities and we are working at pace to deliver both asset and nature-based solutions to protect properties and waterways as well as to provide better information to users of our coastal and inland waters.

While the conflicts in Ukraine and Gaza as well as difficult economic conditions in the UK continue to put pressure on costs and availability of key plant and materials, we delivered all regulatory outputs in the year.

We were also pleased to be placed first of the water and sewerage companies for C-MeX and see strong growth on our social tariff offering, demonstrating our continuous improvement approach toward customer support and service.

We continue to work hard to manage these risks and limit the impact on meeting our obligations to 2025.

### Summary of performance

Category	Target met or exceeded	Target not met - within deadband	Target not met	No target	Totals
Common PCs	6	2	5	2	15
Bespoke PCs	23		8		31
Totals	29	2	13	2	46

Most notably, we did not meet targets for seven of the 15 common PCs in 2023-24.

Two were within dead bands and did not incur any underperformance payments – Water quality compliance (CRI) and Treatment works compliance.

The remaining five common PCs not meeting target:

**Leakage** – we have seen a reduction from the high levels in 2022-23, but the impact of the three-year average calculation means for the first time in the AMP we have missed our reduction target. This will also affect next year’s reduction and we do not expect to meet the target in the final year.

**Per capita consumption** – the effects of covid at the start of the AMP saw people at home and using more water. Year-on-year this has reduced but the three-year average calculation has meant four years of missed reduction targets. We expect to continue the downward trend in consumption in 2024-25 and meet the three-year end of AMP reduction target.

**Water supply interruptions** – we have exceeded tightening targets in the last three years and, bar a single, significant burst in the closing month of 2023-24, were forecast to meet our target again. With processes established to respond quickly and restore supplies we expect to meet the final year’s target.

**Pollution incidents** – self-reporting levels remain very high, and we had just one serious pollution (category 2) incident reported in 2023. However, we saw a further increase in the number of minor (category 3) incidents reported as a result of exceptional rainfall levels, power outages and asset failures, as well as the identification of additional incidents through increased monitoring.

**Internal sewer floodings** – 2023-24 is the first year that we have not met target this AMP with a significant increase in inadequate capacity related incidents in the year. Whilst this is the result of extremely wet weather that has characterised 2023, we will build more resilience into our system.

We have provided additional technical detail to support our reported out- and underperformance payments in the Section 3 commentary document covering tables 3A – 3I.

## Outcome: Affordable bills

The four PCs that make up our affordable bills' outcome are all bespoke commitments.

Ensuring effective billing of all properties in our region leads to fairer charging and lower bills for customers already being billed.

Supporting low-income customers and making charges more affordable for them has never been more important as the cost-of-living crisis continues.

A1 – BILL REDUCTION TO CUSTOMERS ON SOCIAL TARIFFS (£ total per year)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
80,858	76,567	72,723

The total bill reduction to customers on social tariffs per 10,000 households has risen again in the year from £72,723 to £76,567.

2023-24 has been our strongest year to date this AMP for adding customers to our Assist tariff, largely because of the delivery of the initiatives set out in our vulnerability strategy, Every Customer Matters. While we have not met targeted numbers for our Discount for low-income pensioners and WaterSure, we have again seen an increase in customer numbers.

This has not, however, led to the targeted reduction in bills due to reduced consumption and therefore reduced savings, and the effect of the differences in Pension Credit rates.

Our underperformance this year has resulted in an underperformance payment of £55,783.

A2 – SUCCESSFUL APPLICATIONS FOR FINANCIAL ASSISTANCE (nr)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
2,300	2,732	2,474

The numbers of successful applications increased again in 2023-24.

Although we may have expected the financial impact of the cost-of-living crisis to drive up volumes on the tariff this has not been as high as expected. We are still expecting a further uplift in demand due to the cost-of-living crisis and have put measures in place, working with our expert advisers and partners.

The incentive for this PC is reputational.

A3 – VOID SITES (% of households)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
2.00	1.59	1.72

Reducing the number of void sites, which are occupied but not billed, ensures that all customers are charged fairly for their usage. The number of household properties classified as void dropped in 2023-24 to 1.59% of the total number of household properties.

Ongoing activities to reduce void sites continues with initiatives such as:

- Land Registry searches to identify owners of void properties with consumption >10m3
- review of shared occupancy data with Bournemouth Water

### Section 3: Performance summary

- increased number of void visits, and the introduction of void profiling enabled selection of the most effective void strategy by postcode area.

Introduced in 2023-24, where a void property is reported as demolished, a review of the council tax database is carried out and if the property is also showing as deleted there, the property is no longer included within the overall void count.

Our performance in 2023-24 earned an outperformance payment of £791,710.

A4- GAP SITES (nr)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
112	54	115

Reducing the number of gap sites, which are occupied but not billed, ensures that all customers are charged fairly for their usage. This year's final number of 54 gap sites is a drop in performance from previous years.

In the closing months of 2023-24 work commenced in collaboration with a cross-border wholesaler to look at potential gap sites and how the data that is shared between companies can be improved. It is anticipated that a number of gap sites may be identified for waste services within the shared area, and these will be rectified in the reporting year 2024-25.

We underperformed this PC in 2023-24, incurring a payment of £15,080.

## Outcome: Excellent service for customers

Two of the three PCs – C-MeX and D-MeX – are common metrics for the industry.

Our customers and communities are at the heart of our business, and we aspire to excellent customer service and continuous improvement.

X1 – C-MEX (customer measure of experience)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
-	81.77	82.99

C-MeX is Ofwat's lead measure for household customers and in 2023-24 we scored 81.77 (score out of 100).

Despite a reduction in score from last year, our placing improved and we came second of all 17 water companies and first of the water and sewerage companies.

X2 – D-MEX (developer measure of experience)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
-	90.21	89.89

### Section 3: Performance summary

D-MeX is a measure of developer services customer satisfaction. Our score in 2023-24 increased for the fourth year in a row demonstrating our commitment to continuous improvement however our relative performance to other companies has deteriorated. We were placed seventh of the 17 companies and the fifth water and sewerage companies. Company scores are much closer this year with just a marginal difference of 1.68 between our score and the leading company.

Both measures of experience PCs have a financial incentive and Ofwat will determine our out/underperformance payment based on comparative industry performance.

X3 – VALUE FOR MONEY (%)		
<b>TARGET 23/24</b> 83	<b>ACTUAL 23/24</b> 67	<b>PREVIOUS YEAR</b> 79

Only 67% of customers felt we provided good value for money and although we are disappointed, we are not surprised.

The water sector has been constantly in the spotlight regarding sewer overflows, profits and executive pay, environmental performance, and an overall impression of under-investment. We also had a significant bill rise in 2023-24, driven by higher inflation, during an ongoing and challenging cost-of-living crisis. Although we have significant support in place for customers who are struggling to afford their bills and/or repay their debt, any price rises are unwelcome.

The recent Customer Spotlight research report published by CCW shows that trust, value for money perception and satisfaction levels have fallen significantly across the whole industry.

This PC has a reputational incentive.

## Outcome: Better relationships with customers and communities

Priority services for customers in vulnerable circumstances is a common metric across the industry to ensure minimum standards for all companies for the number of households registered on the Priority Services Register (PSR), and for continuous review of data held.

The PC measures the PSR reach, the percentage of households where contact has been attempted over a two-year period and the percentage where contact has been successful in that period. The incentive is reputational.

C1 - PRIORITY SERVICES FOR CUSTOMERS (%)		
<b>TARGET 23/24</b> 6.0	<b>ACTUAL 23/24</b> 9.1	<b>PREVIOUS YEAR</b> 6.1

We have increased the number of households on our Priority Services Register by 49% in 2023-24, largely through:

- the delivery of the various initiatives set out in Every Customer Matters, our vulnerability strategy
- the two-way data share we had in place with energy Distribution Network Operators (DNOs) and Dorset and Wiltshire Fire Service
- streamlining processes for sign-ups by our colleagues over the phone and while out visiting customers' homes.

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C1 - PSR ATTEMPTED CONTACT IN 2 YEARS (%)		
<b>TARGET 23/24</b> 90.0	<b>ACTUAL 23/24</b> 98.2	<b>PREVIOUS YEAR</b> 90.8

C1 - PSR MADE CONTACT WITHIN 2 YEARS (%)		
<b>TARGET 23/24</b> 35.0	<b>ACTUAL 23/24</b> 58.5	<b>PREVIOUS YEAR</b> 54.8

Companies need to keep their Priority Services Register up to date so it accurately reflects the needs of customers through regular contact with those customers who have been on the register for two years or more. We have also exceeded the target for these two elements with 98.2% attempted contact with customers, and 58.5% actual contact versus the targets of 90% and 35% respectively.

C2 – DELIVERING FOR CUSTOMERS IN VULNERABLE CIRCUMSTANCES		
<b>TARGET 23/24</b> Maintain	<b>ACTUAL 23/24</b> Maintained	<b>PREVIOUS YEAR</b> Maintained

As of 31 March 2024, we have a certification of compliance for both the British Standard for Inclusive Service Provision (BS18477) and the Customer Service Excellence Award. The incentive is reputational.

The auditor of BS18477 stated: “The company's ongoing ambition that 'Inclusion - a constant quest' is clearly seen in the diversity of partnerships, and quest to ensure vulnerable customers are identified and included on the PSR.”

The auditor for the Customer Service Excellence award summarised that: “Wessex Water continues to show its commitment to excellent customer services and continuous improvement and a truly customer centric culture.”

C3 – CHILDREN/STUDENTS ENGAGED (nr)		
<b>TARGET 23/24</b> 24,370	<b>ACTUAL 23/24</b> 14,950	<b>PREVIOUS YEAR</b> 8,916

The original target for this PC was based on figures that included assemblies and other public engagements. The definition of the Performance Commitment states that we can only count students up to age 18 and groups of up to 30 with a minimum of 20 minutes engagement and therefore it is not possible to meet the annual target of 24,370.

Informing and inspiring our next generation of customers is the priority of our Education Services team. We are very pleased to see that the number meeting the PC definition has increased again this year, and we continue to work hard to promote the education service through our website, targeted emails, word-of-mouth, and public events.

The incentive is financial with an underperformance payment of £37,680.

## Outcome: Efficient use of water

Ensuring that water is used as efficiently as possible is key to protecting supplies and resources for the long term, whether through ensuring leakage in our network is limited or encouraging and working with our customers to reduce consumption.

Reducing Leakage and Per capita consumption are both common PCs for the industry.

W1 – LEAKAGE (% reduction on baseline)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
9.9	7.1	9.3

There was a reduction in the in-year leakage figure in 2023-24 in comparison to 2022-23. However, performance is measured as a three-year average and with the significant leakage breakouts in 2022-23, for the first time in the AMP we have not achieved the percentage reduction target.

We made good progress at the start of the year to reduce the higher levels of leakage from the 2022-23 winter outbreak. With June recorded as the hottest on record, this led to a rapid soil moisture change and sub-soil shrinkage resulting in a sustained leakage outbreak.

In September leakage levels again exceeded target profile as the UK experienced a significant heatwave; September experienced the longest run of days exceeding 30°C since records began. Additional investment began in September with installation of 11 new pressure reducing valves and 6,000 new acoustic loggers by March 2024.

In December and January, we experienced short-lived wintry weather. With vigilant monitoring and effective response coordination, most of the leakage recovered within days.

Due to the higher levels of leakage seen in 2022-23 and this year, we do not expect to meet the three-year average reduction target in the final year of the AMP.

The incentive is financial and we incurred an underperformance payment of £693,000.

W2 – PER CAPITA CONSUMPTION (% reduction on baseline)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
0.4	-0.8	-5.4

2023-24 saw a significant reduction in the in-year PCC and is now at the lowest level since 2017-18. The performance for this PC is measured as a three-year average. In 2023-24 the average per capita consumption (PCC) over the last three years, saw an increase of 0.8% on the baseline PCC. This is a considerable decrease from last year.

The Covid-19 pandemic significantly affected household water use in 2020-21 and 2021-22 and although working patterns have changed since before the pandemic, with more people now working from home for at least part of the week, the overall number of home-workers has declined since the heights seen in 2020-21.

In addition, the cost-of-living crisis and particularly increasing energy prices since September 2022, have resulted in customers making behavioural changes to reduce their use of water, and especially hot water.



### Section 3: Performance summary

This impact became apparent mid-way through the 2022-23 reporting year, and the continual decline in household consumption in 2023-24 indicates a longer lasting behavioural change impact.

W3 – CUSTOMER REPORTED LEAKS FIXED IN A DAY (%)		
<b>TARGET 23/24</b> 90	<b>ACTUAL 23/24</b> 91	<b>PREVIOUS YEAR</b> 90

We exceeded our 90% target for customer reported significant leaks fixed within a day in 2023-24 as a result of increased resources deployed to meet the challenges of the long, hot summer the previous year, and the relatively benign weather this year.

The incentive is financial, in beating the target we earned an outperformance payment of £63,000.

W4 – WATER SAVED BY WATER EFFICIENCY (MI/d)		
<b>TARGET 23/24</b> 4.0	<b>ACTUAL 23/24</b> 4.9	<b>PREVIOUS YEAR</b> 3.6

In 2023-24 we delivered 1.34 MI/d of water efficiency savings. Good levels of saving were maintained by the continuation of the Home Check programme, non-household visits and a step-up in educational visits to schools. We saw reduced savings from GetWaterFit sign-ups and free pack orders this year due to less promotion, and the wet weather this past year has reduced the requirement for dry weather-related customer engagement.

The incentive for this PC is reputational.

## Outcome: Excellent drinking water quality

We treat our water to very high standards to make sure we always provide clean, safe drinking water to our customers and to visitors to our region.

Our continuous improvement approach focuses on improving our treatment centres, reservoirs, and network, and working with our customers to make improvements in their homes and workplaces where needed.

Q1 – WATER QUALITY COMPLIANCE SCORE (CRI)		
<b>TARGET 2023</b> 0.00	<b>ACTUAL 2023</b> 0.93	<b>PREVIOUS YEAR</b> 1.04

This PC is common across the industry. We did not meet the target of zero but again our performance fell within the deadband and so no underperformance payment was incurred.

Our highest scoring CRI was for a coliform failure which contributed more than half of our total score due to the large output of the works. The failure was likely to be related to the challenging weather conditions under which the sample was taken and not representative of the water being supplied to customers. Action has been taken to improve the sampling facilities to prevent a recurrence.

### Section 3: Performance summary

Q2- WATER QUALITY CUSTOMER CONTACTS (nr/1000 pop)		
TARGET 2023	ACTUAL 2023	PREVIOUS YEAR
1.03	1.04	1.14

We are pleased to report that while we did not meet our performance commitment target in 2023, our performance continues to improve from the 2022 rate of 1.14 contacts per 1,000 customers on this challenging target.

Last year saw a drop in both taste and odour contacts and appearance contacts.

We had an established process and dedicated team reviewing discolouration customer contacts to determine the cause of each occurrence. In 2023 we formed an internal taste and odour focus group with representatives from across the business to review hot spots and descriptors to further understand the cause of these contacts. The drop contact rate seen in 2023 may in part be due to this increased focus on investigating and understanding the source of each contact to help drive improvement in the right areas.

The associated incentive is financial and we incurred a small underperformance payment of £6,030 based on the missed target.

Q3 – TACKLING WATER QUALITY IN HOMES/WORKPLACES (visits)		
TARGET 2023	ACTUAL 2023	PREVIOUS YEAR
18,297	20,579	18,596

2023 saw a further improvement on last year's performance with a greater focus on larger housing developments to ensure new houses are compliant, efficiencies in engagement with companies to inspect groups of premises and updates to records to confirm correct categorisation.

The incentive is financial and a reward of £25,102 was earned as a result.

Q4 – LEAD SERVICE PIPES REPLACED (nr/year)		
TARGET 2023	ACTUAL 2023	PREVIOUS YEAR
2,210	2,219	1,928

We replaced a greater number of lead service pipes than targeted in 2023 and remain ahead of the cumulative number of replacements for the AMP. The incentive is financial and we earned an outperformance payment of £6,300 based on our performance.

We are on track to achieve the targeted number of pipe replacements for the five-year period to 2025.

Q5 – EVENT RISK INDEX SCORE (ERI)		
TARGET 2023	ACTUAL 2023	PREVIOUS YEAR
12.800	23.678	402.796

Our provisional Event Risk Index score for 2023 is 23.678, against a target of 12.800. The incentive is reputational.

While this is a significant improvement on our 2022 score, we reported 22 events to the DWI, just two fewer than last year. This may be a reflection of improvements made across the company to prevent drinking water quality events, but it also highlights the volatility and unpredictability of this index.

## Outcome: Minimising sewer flooding

As part of our business planning process customers identified the reduction of sewer flooding as a key priority.

F1 – INTERNAL SEWER FLOODINGS (nr/10,000 sewer connections)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
1.44	1.56	1.31

This is a common PC across the industry.

We have seen exceptional levels of rainfall in 2023-24 - the EA Wessex Water Situation Report March 2024, shows that the monthly rainfall against the long-term average (LTA) has been higher for 15 of the last 18 months; c150% per month above the LTA average.

Consequently, there has been a significant increase in the number of internal flooding incidents reported as inadequate capacity, 56, compared with a six-year average of nine.

Our activities to discourage sewer misuse to prevent blockages that impede flows continues to be successful with a reduction in the number of blockages seen in the year.

The incentive is financial and we incurred an underperformance payment of £682,800.

F2 – EXTERNAL SEWER FLOODINGS (nr/10,000 sewer connections)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
16.03	18.52	17.83

As a result of the very wet conditions 2023-24 saw around a 5% increase in our external flooding rate from the previous year, with three times the average number of incidents relating to inadequate capacity.

In missing the target rate we have incurred an underperformance payment of £1.992m.

F3 – SEWER FLOODING RISK (index score)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
50,651	60,429	56,258

The exceptionally wet weather has also affected our sewer flooding risk score with increased numbers of flooding incidents reported and added to the risk register. Our score includes properties with restricted toilet use, while this is not strictly in accordance with the reporting definition i.e., flooding should relate either to actual flooding at a property or where there is evidence of flooding at nearby properties, it does recognise the impact on those customers where use of their toilet would result in flooding.

The incentive is financial and we incurred an underperformance payment of £848,340.

F4 – DELIVER NORTH BRISTOL SEWER (months delay)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
0	0	0

The North Bristol Trym sewer scheme was completed ahead of the March 2023 target and therefore there are no further deliverables for this performance commitment.

## Outcome: Resilient Services

This outcome seeks to ensure we deliver secure and reliable water and wastewater services whatever local and global shocks and stresses we face. 2023-24 has seen a continuation of the challenging environment seen last year with the conflicts in Ukraine and Gaza as well as the on-going cost-of-living crisis, together with extremes of weather and exceptional levels of rainfall. Against this we have met or exceeded eight of the nine PC targets this year.

R1 – WATER SUPPLY INTERRUPTIONS (mins:secs/prop/year)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
05:23	05:35	04:10

This is a common PC across the industry.

Having delivered industry leading performance in the previous three years, we had one major incident at the end of February which resulted in a significant increase in the total for the year, just missing target.

The incentive is financial and we incurred an underperformance payment of £27,933.

R2 – POP AT RISK OF RESTRICTIONS IN A DROUGHT (%)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
0	0	0

This is a common PC across the industry.

Our water supply network remains strong despite the weather conditions being as extreme as we have experienced in over 50 years, with none of the population in our supply area at risk of severe water restrictions in a drought.

R3 – POP AT RISK OF SEWER FLOODING IN A STORM (%)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
8.91	7.98	7.98

This reputational PC is common across the industry.

### Section 3: Performance summary

This metric is calculated in line with Ofwat's guidance to indicate the percentage of the population at risk of sewer flooding in a storm. This PC reflects a modelled view of the risk, benefiting from improved modelling coverage as a result of our work on the Drainage and Wastewater modelling plan.

R4 – BURST MAIN REPAIRS (nr/1,000 km of mains)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
154.6	127.3	163.5

This is a common PC across the industry.

The number of repairs has varied considerably over the last few years with higher numbers in 2020-21 and 2022-23 primarily due to leakage arising from ground movement due to cold weather events, and ground shrinkage during dry summer events.

2023-24 saw a couple of very warm months, a short freeze/thaw snap and very wet conditions for the remainder of the year, and consequently fewer bursts.

The incentive is financial but with underperformance payments only incurred.

R5 – UNPLANNED OUTAGE (%)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
2.34	1.53	0.76

This PC is common across the industry.

There were 114 outages recorded in 2023-24, compared to 83 in 2022-23. In 2022-23 the average duration of unplanned outages was six days. This increased to eight days in 2023-24, but this increase was largely attributed to one 201-day outage. The key causes of unplanned outages in 2023-24 were treatment issues causing sites to shut down (eg, chlorine dosing issues), and unplanned maintenance.

The incentive associated with this PC is financial but underperformance only.

R6 – SEWER COLLAPSES (nr/1000km sewer)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
6.33	5.55	5.22

This is a common PC across the industry.

The number of sewer collapses per thousand km of sewer was 5.55 for 2023-24 against a target of 6.33. As expected at the end of last year with the increasingly wet conditions, we saw a deterioration in performance from the previous year. We believe the impact of exceptionally wet weather on ageing assets has affected the number of rising main bursts reported.

The incentive associated with this PC is financial but underperformance payment only.

R7 – RESTRICTIONS ON WATER USE (nr events)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
0	0	0

It is now 48 years since a hosepipe ban was last imposed in the region in 1976. We do not expect to implement hosepipe bans in 2023-24.

The incentive associated with this PC is financial but underperformance payment only.

R8 – SECURITY NON-SEMD OUTPUTS (months delayed)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
0	0	0

This PC will ensure sufficient enhancement to customer protection through improved cyber security measures. There are several specific deliverables over the period 2020-25 and the PC measures the months any of the security deliverables are delivered late. This is a financial incentive PC, but underperformance payment only.

The fourth planned deliverable was achieved in 2023-24 providing the ability to identify and flag any devices that are not recognised or authorised on the Operational Technology network. This ensures a mechanism to identify potential security threats and take appropriate action.

DWMP – DRAINAGE & WASTEWATER MGT PLANS (%)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
100	100	100

This performance commitment was set to ensure we produce our first cycle Drainage and Wastewater Management Plan (DWMP). The DWMP was published on our website on 31 May 2023. The incentive associated with this commitment is reputational.

## Outcome: Protecting and enhancing the environment

Our pledge to protect and enhance the natural environment in our region is the main objective of the following PCs. We look constantly to minimise our impact on the environment through careful water abstraction from rivers and lakes, and mindful disposal of wastewater products.

E1 – TREATMENT WORKS COMPLIANCE (%) *		
TARGET 2023	ACTUAL 2023	PREVIOUS YEAR
100.0	99.0	99.4

This PC is common across the industry.

### Section 3: Performance summary

With one additional site failing in 2023, compliance dropped, but as performance was within the allowed deadband there was no underperformance payment. A number of initiatives have been put in place to improve compliance including a companywide, consistent approach to reviews of all permitted sample result exceedances to ensure lessons learned and continuous improvement.

E2 – POLLUTION INCIDENTS (nr/10,000km sewer) *		
<b>TARGET 2023</b> 22.40	<b>ACTUAL 2023</b> 36.06	<b>PREVIOUS YEAR</b> 31.48

This is a common PC across the industry.

In 2022 we saw a significant change in the number of pollution events largely attributed to the increase in Event Duration Monitoring (EDM). While monitoring has been in place since 2020, it was initially intended for data reporting purposes but has since become an operational tool and has allowed us to identify and act on spill events of which we were not previously aware.

EDM monitoring of all storm overflows was completed by the end of 2023. In addition to the increased monitoring, the weather conditions in 2023 also contributed to the rise in incident numbers. The Met Office reported that 2023 was in the top 10 wettest years on record in a series from 1836 for England and Wales, with the region experiencing above average rainfall for most of the year.<sup>1</sup>

Some areas suffered extremely heavy rainfall events and localised flooding which led to pollution events. The associated high ground water levels and elevated network levels also led to additional pressure on the sewerage network as a whole.

The associated incentive is financial and an underperformance payment of £3.688m was incurred.

E3 – AIM: MERE (MI/year)		
<b>TARGET 23/24</b> -100	<b>ACTUAL 23/24</b> -142	<b>PREVIOUS YEAR</b> -319

Overall, Mere was under AIM restrictions for only 61 days, which is 122 days less than last year due to the wetter weather in 2023-24.

The incentive is financial and we earned an outperformance payment of £1,134 as a result.

E4 – IMPROVE SSSI SITES (%)		
<b>TARGET 23/24</b> 80	<b>ACTUAL 23/24</b> 82	<b>PREVIOUS YEAR</b> 67

The actions agreed with Natural England on the master list for the five-year period are intended to improve the condition of SSSIs which are part of our landholding.

This is a cumulative measure and relates to the percentage of actions delivered. In 2023-24 we delivered 82% of the agreed actions. The incentive is financial and we earned an out-performance payment of £340.

E5 – GREENHOUSE GAS EMISSIONS (ktCO2e/year)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
105	105	104

Overall, gross emissions increased marginally in 2023-24 with several contributing factors including:

- higher electricity use driven by the extremely wet weather during the year which increased energy required for sewerage pumping and sewage treatment
- increased heavy goods vehicle use
- higher energy and fuel usage by outsourced operators.

We continue to see lower emissions from fossil fuels used at company sites.

The associated incentive is financial with payment on underperformance only.

E6 - WORKING WITH COMMUNITIES TO IMPROVE BATHING WATER EXPERIENCE (nr beaches)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
40	44	36

This year we have contributed to projects at eight additional bathing waters - one in Somerset, six in Dorset and one at Baltic Wharf in Bristol Harbour. The number of beaches reported is cumulative for the five-year period.

The incentive associated with this PC is financial and we received an outperformance payment of £2,800.

E7 – WORKING WITH CATCHMENT PARTNERS TO IMPROVE NATURAL CAPITAL (nr projects)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
37	42	43

The Catchment Panel agreed that 42 projects had been supported in 2023. The projects include catchment delivery through WINEP and non-WINEP schemes, Biodiversity Action Plan partners programme, catchment partnerships and co-funded projects.

The incentive associated with this performance commitment is financial and we earned an outperformance payment of £16,500 as a result.

E8 – SATISFACTORY SLUDGE DISPOSAL COMPLIANCE (%)		
TARGET 2023	ACTUAL 2023	PREVIOUS YEAR
100.00	100.00	100.00

For 2023, satisfactory sludge disposal has remained at 100%, the same as in 2022 and 2021, with 99.54% reported in 2020. There were no pollution incidents caused by stockpiles in 2023.



Section 3: Performance summary

The incentive is financial, underperformance payment only.

E9 – REDUCE FREQUENT SPILLING OVERFLOWS (non WINEP) (nr)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
0	0	0

No schemes to reduce frequent spilling sewer overflows (FSO) outside the WINEP were due in 2023-24 and none delivered. The incentive is financial, underperformance payment only.

Delivering outputs has become more challenging in the current economic climate, we are currently planning on one site over and above the WINEP requirements which will be delivered in year 5 of AMP7.

This year we have completed a further 17 FSO Investigations, required under the Storm Overflow Assessment Framework (SOAF) and the WINEP. The WINEP contains 54 investigations, 44 FSO investigations have been completed to date (of which three are related to improvement sites). We have delivered and signed off one improvement of the 13 WINEP improvement sites in 2023-24.

NEP01 – DELIVERY OF WINEP		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
Met	Met	Met

We met all of our Water Industry National Environment Programme (WINEP) delivery obligations in 2023/24. Delivering 163 outputs from investigations to inform (or otherwise) future enhancements in PR24; long-term monitoring of flows/spills to actions to prevent deterioration or make improvements in flow and storm capacities.

The incentive associated with this commitment is reputational.

E10 – KM OF RIVER WITH IMPROVED WATER QUALITY (WINEP)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
167.4	170.7	157.8

A further two schemes were completed by the end of 2023-24, bringing the total to 170.7km of rivers with improved health and aesthetics.

The associated incentive is financial, with payment on underperformance only. We have exceeded the target in the year and so have not incurred any payment.

E11 – LENGTH OF RIVER IMPROVED (non-WINEP) (km)		
TARGET 23/24	ACTUAL 23/24	PREVIOUS YEAR
0	40.6	32.4

For calendar year 2023, 79.6 tonnes of nitrogen were saved in Poole Harbour, against a target of 51 tonnes. This equates to a length of river improved of 40.6km, in accordance with the agreed methodology.

The incentive is financial and the company earned an outperformance payment of £406,000 as a result.

E12 – AIM: STUBHAMPTON (MI/year)		
<b>TARGET 23/24</b> -45	<b>ACTUAL 23/24</b> -140	<b>PREVIOUS YEAR</b> -169

Overall, Stubhampton was restricted under AIM for 170 days between May and November. This was less than in 2022-23 due to the wet weather in 2023-24, particularly in the latter half of the year which meant that restrictions were removed earlier than usual.

The incentive is financial and the company earned an outperformance payment of £1,995 as a result.

E13 – AVONMOUTH STW WINEP REQUIREMENTS		
<b>TARGET 23/24</b> 0	<b>ACTUAL 23/24</b> 0	<b>PREVIOUS YEAR</b> 0

The EA agreed on 28 July 2022 to amend the completion date of the Avonmouth STW requirements in the WINEP to 31 March 2028, to provide additional Full Flow to Treatment (FFT) capacity to bring forward the AMP8/9 Dry Weather Flow (DWF) increase scheme.

As the PC relates to the live WINEP, there is no deliverable now due this AMP.

## Common performance measures

We have been able to implement the reporting guidance for common performance commitments and are green in all respects except for certain elements in leakage, PCC and sewer collapses as detailed below.

### Leakage

All major components of the guidance are green but there are three elements that are not fully compliant in 2023-24.

11f has been classified as amber relating to the flow checking requirements.

Most of our distribution input meters are electromagnetic and subject to satisfactory meter verification every two years. However, a small number of our meters are mechanical meters, and we currently do not undertake flow verification of those meters. This has been reviewed in 2023 and we have plans in place to introduce a rolling programme of flow verifications on our abstraction and DI meters. This will take time to implement as infrastructure changes are needed but the priority will be based on licence criticality and accessible meters.

On our unmeasured household consumption monitor, plans are in place to work with meter providers to ensure valid data is available from at least 80% of monitors as an annual average measure which will move component 13c to Green.

The gap between top-down and bottom-up calculations is slightly higher than in 2022-23 at 2.85%. There have been no significant methodology changes to the top-down and bottom-up components of the leakage calculation.

Section 3: Performance summary

Both top-down and bottom-up leakage are calculated on a monthly basis and regular liaison occurs between all data originators to share understanding of the data, and to monitor the gap in the water balance. The increase in the gap this year is being investigated.

	Component / Element	Element R/A/G	Reason for any non-compliant components / Comments	Confidence grade
11f	Flow checks are carried out on DI meters consistent with the principles of the document 'EA Abstraction Good Metering Guide' and in particular the frequency of flow checking defined in Table 6.2 of the EA guide	Amber	Flow verification not undertaken on a small number of mechanical meters. Plans in place to introduce a rolling programme of flow verifications based on criticality and access.	A2
13c	Evidence that survey is representative (based on demography, property type or other factors) of the company as a whole; valid data available from at least 80% of monitors as an annual average measure.	Amber	Survey is representative as the sample closely matches the company's distribution of acorn categories (distribution of affluence) in the HH metered data. This component is Amber due to the availability of valid data being below 80% as an annual average. Plans are in place to increase resource to work with meter providers to increase % of valid meter data.	B2
16e	Water balance discrepancy <2% = G >2% and <3% = A >3% = R	Amber	Top-down vs bottom-up gap is slightly larger than in 2022-23 at 2.85%, but still within the Amber threshold. The increasing difference is being investigated.	B2

### Per capita consumption

One Amber element only as per Leakage 13c.

	Component / Element	Element R/A/G	Reason for any non-compliant components / Comments	Confidence grade
4c	Evidence that survey is representative (based on demography, property type or other factors) of the company as a whole; valid data available from at least 80% of monitors as an annual average measure.	Amber	Survey is representative as the sample closely matches the company's distribution of acorn categories (distribution of affluence) in the HH metered data. This component is Amber due to the availability of valid data being below 80% as an annual average. Plans are in place to increase resource to work with meter providers to increase % of valid meter data.	B2

### Sewer collapses

The Amber rating for the number of collapses is that the number is based on information from the original job cards that are raised by the sewerage customer service technician with additional supplementary questions.

Where there is any element of doubt as to the underlying reason for raising works on the sewerage system, clarification is sought. If there is still an element of doubt, these are recorded as unknowns and are included in the reportable number.

Improvements to our IT systems to allow for accurate capture of the underlying reason for any works, and therefore full compliance, are planned but not expected until early next AMP.

	Component	Compliant (R/A/G)	Reason for any non-compliant components	Confidence grade
1	Number of collapses	Amber	Original job card information from the sewerage customer service technician. Where there is any doubt to the underlying reason for works on the sewerage system even after clarification, these are recorded as unknowns and included in the reportable number.	B3
2	Sewer length			
a	Length excluding transferred sewers	Green		B2
b	Length of sewers transferred under the Private Sewer Regs 2011	Green		C4

Section 3: Performance summary

Pro forma 3A

Outcome performance - Water performance commitments (financial) Wessex Water

Line description	Unique reference	Unit	Decimal places	Performance level - actual	PCL met?	Forecast of total 2020-25 outperformance or underperformance payment		RAG 4 reference
						6	7	
						£m	£m	

Common PCs - Water (Financial)								
Water quality compliance (CRI)	PR19WSX_Q1	number	2	0.93	No	0.000	0.000	3A.1
Water supply interruptions	PR19WSX_R1	hh:mm:ss		00:05:35	No	-0.028	0.737	3A.2
Leakage	PR19WSX_W1	%	1	7.1	No	-0.693	-0.132	3A.3
<i>[For use by NES and SSC only]</i>								
Per capita consumption	PR19WSX_W2	%	1	-0.8	No	0.000	-2.821	3A.4
<i>[For use by SSC only]</i>								

Mains repairs	PR19WSX_R4	number	1	127.3	Yes	0.000	-1.054	3A.5
Unplanned outage	PR19WSX_R5	%	2	1.53	Yes	0.000	0.000	3A.6

Bespoke PCs - Water and Retail (Financial)								
Total bill reduction to customers on social tariffs per 10,000 households	PR19WSX_A1	nr		76,567	No	-0.056	-0.240	3A.7
Void sites	PR19WSX_A3	%	2	1.59	Yes	0.792	2.722	3A.8
Gap sites	PR19WSX_A4	nr		54	No	-0.015	-0.014	3A.9
Number of children/students engaged	PR19WSX_C3	nr		14,950	No	-0.038	-0.308	3A.10
Customer reported leaks fixed within a day	PR19WSX_W3	%		91	Yes	0.063	0.441	3A.11
Water quality customer contacts (appearance, taste and odour)	PR19WSX_Q2	nr	2	1.04	No	-0.006	-0.125	3A.12
Tackling water quality at home and in the work place	PR19WSX_Q3	score		20,579	Yes	0.025	-0.123	3A.13
Lead communication service pipes replaced (Wessex Water assets)	PR19WSX_Q4	nr		2,219	Yes	0.006	0.040	3A.14
Restrictions on water use (hosepipe bans)	PR19WSX_R7	nr		0	Yes	0.000	0.000	3A.15
Abstraction Incentive Mechanism (Mere)	PR19WSX_E3	nr		-142	Yes	0.001	0.020	3A.16
Natural capital: improve Sites of Special Scientific Interest (SSSI sites)	PR19WSX_E4	%		82	Yes	0.000	0.004	3A.17
Abstraction Incentive Mechanism (Stubhampton)	PR19WSX_E12	MI/a		-140	Yes	0.002	0.014	3A.18

Delivery of security (non-SEMD)	PR19WSX_SEC	months		0	Yes	0.000	0.000	3A.19
								3A.20
								3A.21
								3A.22
								3A.23
								3A.24
								3A.25
								3A.26

Financial water performance commitments achieved	%			58				3A.27
Overall performance commitments achieved (excluding C-MEX and D-MEX)	%			67				3A.28

Section 3: Performance summary

Pro forma 3B

Outcome performance - Wastewater performance commitments (financial) Wessex Water

Line description	1	2	2a	4	5	6	7	RAG 4 reference
	Unique reference	Unit	Decimal places	Performance level - actual	PCL met?	Outperformance or underperformance payment	Forecast of total 2020-25 outperformance or underperformance payment	
						£m	£m	

Common PCs - Wastewater (Financial)								
Internal sewer flooding	PR19WSX_F1	Number of internal sewer flooding incidents per 10,000 sewer connection	2	1.56	No	-0.683	3.699	3B.1
Pollution incidents	PR19WSX_E2	Pollution incidents per 10,000 km of sewer length	2	36.06	No	-3.688	-9.196	3B.2
Sewer collapses	PR19WSX_R6	Number of sewer collapses per 1,000 km of all sewers	2	5.55	Yes	0.000	0.000	3B.3
Treatment works compliance	PR19WSX_E1	%	2	99.03	No	0.000	0.000	3B.4

Bespoke PCs - Wastewater (Financial)								
Customer property sewer flooding (external)	PR19WSX_F2	nr	2	18.52	No	-1.992	-8.008	3B.5
Sewer flooding risk	PR19WSX_F3	score		60,429	No	-0.848	-1.411	3B.6
North Bristol Sewer Scheme - Trym catchment	PR19WSX_F4	nr		0	Yes	0.000	0.000	3B.7
Greenhouse gas emissions	PR19WSX_E5	nr		105	Yes	0.000	0.000	3B.8
Working with communities to improve bathing water experience	PR19WSX_E6	nr		44	Yes	0.003	0.003	3B.9
Working with catchment partners to improve natural capital	PR19WSX_E7	nr		42	Yes	0.017	0.067	3B.10
Satisfactory sludge disposal	PR19WSX_E8	%	2	100.00	Yes	0.000	-0.045	3B.11
Reduce frequent spilling overflows (non-WINEP)	PR19WSX_E9	nr		0	Yes	0.000	0.055	3B.12
Length of river with improved water quality through WINEP delivery	PR19WSX_E10	km	1	170.7	Yes	0.000	-0.375	3B.13
Km of river improved (non-WINEP)	PR19WSX_E11	km	1	40.6	Yes	0.406	1.358	3B.14
WINEP requirements (Bristol (Avonmouth) STW)	PR19WSX_E13	months		0	Yes	0.000	0.000	3B.15

Financial wastewater performance commitments achieved	%		67	3B.19
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## Pro forma 3C

### Customer measure of experience (C-MeX) table

Wessex Water

Item	Unit	Value	RAG 4 reference
Annual customer satisfaction score for the customer service survey	Number	82.79	3C.1
Annual customer satisfaction score for the customer experience survey	Number	80.75	3C.2
Annual C-MeX score	Number	81.77	3C.3
Annual net promoter score	Number	33.50	3C.4
Total household complaints	Number	3278	3C.5
Total connected household properties	Number	1,279,658	3C.6
Total household complaints per 10,000 connections	Number	25.616	3C.7
Confirmation of communication channels offered	TRUE or FALSE	TRUE	3C.8

## Pro forma 3D

### Developer services measure of experience (D-MeX) table Wessex Water

Item	Unit	Value	RAG 4 reference
Qualitative component annual results	Number	80.65	3D.1
Quantitative component annual results	Number	99.77	3D.2
D-MeX score	Number	90.21	3D.3
Developer services revenue (water)	£m	4.260	3D.4
Developer services revenue (wastewater)	£m	4.434	3D.5

Calculating the D-MeX quantitative component				RAG 4 reference
Water UK performance metric	Unit	Reporting period (1 April to 31 March)	Quantitative score (annual)	
W1.1	%	100.00%		3D.W1
W3.1	%	97.45%		3D.W2
W4.1	%	99.76%		3D.W3
W6.1	%	100.00%		3D.W4
W8.1	%	100.00%		3D.W5
W17.1	%	97.14%		3D.W6



Section 3: Performance summary

W17.2	%	100.00%		3D.W7
W18.1	%	100.00%		3D.W8
W26.1	%	100.00%		3D.W9
S1.1	%	99.82%		3D.W10
S3.1	%	100.00%		3D.W11
S4.1	%	100.00%		3D.W12
S7.1	%	100.00%		3D.W13
WN1.1	%	100.00%		3D.W14
WN2.2	%	100.00%		3D.W15
SN2.2	%	100.00%		3D.W16
WN4.1	%	100.00%		3D.W17
WN4.2	%	100.00%		3D.W18
SAM - 3/1	%	100.00%		3D.W19
SAM - 4/1	%	100.00%		3D.W20
SLPM – S1/2	%	100.00%		3D.W21
SLPM - S2/2a	%	100.00%		3D.W22
SLPM - S2/2b	%	100.00%		3D.W23
SLPM – S3	%	100.00%		3D.W24
SLPM – S4/1	%	100.00%		3D.W25

D-MeX quantitative score (for the reporting period)	%	99.77%		3D.7
D-MeX quantitative score (annual)	Number		1.00	3D.8

## Pro forma 3E

### Outcome performance - Non financial performance commitments

Wessex Water

	1	2	2a	4	5	
Line description	Unique reference	Unit	Decimal places	Performance level - actual	PCL met?	RAG 4 reference
<b>Common</b>						
Risk of severe restrictions in a drought	PR19WSX_R2	%	1	0.0	Yes	3E.1
Priority services for customers in vulnerable circumstances - PSR reach	PR19WSX_C1	%	1	9.1	Yes	3E.2
Priority services for customers in vulnerable circumstances - Attempted contacts	PR19WSX_C1	%	1	98.2	Yes	3E.3
Priority services for customers in vulnerable circumstances - Actual contacts	PR19WSX_C1	%	1	58.5	Yes	3E.4
Risk of sewer flooding in a storm	PR19WSX_R3	%	2	7.98	Yes	3E.5
<b>Bespoke PCs</b>						
Successful applications for assistance received by the independent advice sector/third parties	PR19WSX_A2	nr		2,732	Yes	3E.6

### Section 3: Performance summary

Value for money	PR19WSX_X3	%		67	No	3E.7
Delivering for customers in vulnerable circumstances	PR19WSX_C2	text		Maintained	Yes	3E.8
Volume of water saved by water efficiency engagement	PR19WSX_W4	nr	1	4.9	Yes	3E.9
Event risk index (Wessex Water) (ERI WW)	PR19WSX_Q5	score	3	23.678	No	3E.10
WINEP Delivery	PR19WSX_NEP01	text		Met	Yes	3E.11
Delivery of DWMPs	PR19WSX_DWMP	%		100	Yes	3E.12

### Section 3: Performance summary

Non-financial performance commitments achieved

%

83

3E.29

#### Pro forma 3F

#### Underlying calculations for common performance commitments - water and retail

Line description	1 Unit	2 Standardising data indicator	3 Standardising data numerical value	4 Performance level - Actual (current reporting year)	5 Performance level - Calculated (i.e. standardised)
<b>Performance commitments set in standardised units - Water</b>					
Mains repairs - Reactive	Mains repairs per 1000 km	Mains length in km	12,148.90	536	44.12
Mains repairs - Proactive	Mains repairs per 1000 km	Mains length in km	12,148.90	1,011	83.22
Mains repairs	Mains repairs per 1000 km	Mains length in km	12,148.90	1,547	127.34
Per capita consumption (PCC)	lpd	Total household population (000s) and household consumption (Ml/d)	1,334.26	177	132.90

Line description	Unit	Performance level - actual (2017-18)	Performance level - actual (2018-19)	Performance level - actual (2019-20)	Baseline (average from 2017-18 to 2019-20)	Performance level - actual (2020-21)	Performance level - actual (2021-22)	Performance level - actual (2022-23)	Performance level - actual (2023-24)	Performance level - actual (2024-25)	Performance level 3 year average (current and previous 2 years)	Calculated performance level to compare against PCLs
<b>Performance commitments measured against a calculated baseline</b>												
Leakage	Ml/d	76.5	75.6	67.9	73.3	65.1	63.3	71.2	69.8	68.1	7.1	3F.5
Per capita consumption (PCC)	lpd	135.9	139.3	138.3	137.8	151.8	144.9	138.8	132.9	138.9	-0.8	3F.6

Line description	Unit	14 Standardising data indicator	15 Standardising data numerical value	16 Total minutes lost	17 Number of properties supply interrupted	18 Calculated performance level
<b>Water supply interruptions</b>						
Water supply interruptions	Average number of minutes lost per property per year	Number of properties (thousands)	641.98	3584079	10,337	00:05:35

Line description	20 Current company level peak week production capacity (PWPC) Ml/d	21 Reduction in company level PWPC Ml/d	22 Outage proportion of PWPC %
<b>Unplanned or planned outage</b>			
Unplanned outage	574.44	8.8	1.53%

Line description	23 Total residential properties (000s)	24 Total number of households on the PSR (as at 31 March)	25 PSR reach	26 Total number of households on the PSR over a 2 year period	27 Number of attempted contacts over a 2 year period	28 Attempted contacts %	29 Number of actual contacts over a 2 year period	30 Actual contacts %
<b>Priority services for customers in vulnerable circumstances</b>								
Priority services for customers in vulnerable circumstances	1,254.36	113,763	9.1%	46,215	45,376	98.2%	27,031	58.5%

Section 3: Performance summary

Pro forma 3G

Underlying calculations for common performance commitments - wastewater

Wessex Water

	1	2	3	4	5	6	
Line description	Unique reference	Unit	Standardising data indicator	Standardising data numerical value	Performance level - actual current reporting year	Calculated performance level	RAG 4 reference
Performance commitments set in standardised units							
Internal sewer flooding - customer proactively reported	PR19WSX_F1	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	1,295.39	155	1.20	3G.1
Internal sewer flooding - company reactively identified (ie neighbouring properties)	PR19WSX_F1	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	1,295.39	47	0.36	3G.2
Internal sewer flooding	PR19WSX_F1	Number of internal sewer flooding incidents per 10,000 sewer connection	Number of sewer connections	1,295.39	202	1.56	3G.3
Pollution incidents	PR19WSX_E2	Pollution incidents per 10,000 km of sewer length	Sewer length in km	34,944.00	126	36.06	3G.4
Sewer collapses	PR19WSX_R6	Number of sewer collapses per 1,000 km of all sewers	Sewer length in km	35,138.00	195	5.55	3G.5

## Pro forma 3H

### Summary information on outcome delivery incentive payments

Line description	1	RAG 4 reference
	Initial calculation of performance payments (excluding CMEX and DMEX)	
	£m (2017-18 prices)	
Initial calculation of in period revenue adjustment by price control		
Water resources	-0.01	3H.1
Water network plus	-0.64	3H.2
Wastewater network plus	-6.80	3H.3
Bioresources (sludge)	-0.01	3H.4
Residential retail	0.72	3H.5
Business retail	0.00	3H.6
Dummy control	0.00	3H.7
Initial calculation of end of period revenue adjustment by price control		
Water resources	0.00	3H.8
Water network plus	-0.22	3H.9
Wastewater network plus	0.00	3H.10
Bioresources (sludge)	0.00	3H.11
Residential retail	0.00	3H.12
Business retail	0.00	3H.13
Dummy control	0.00	3H.14
Initial calculation of end of period RCV adjustment by price control		
Water resources	0.00	3H.15
Water network plus	0.00	3H.16
Wastewater network plus	0.00	3H.17
Bioresources (sludge)	0.00	3H.18
Residential retail	0.00	3H.19
Business retail	0.00	3H.20
Dummy control	0.00	3H.21

Section 3: Performance summary

Pro forma 3I

Supplementary outcomes information Wessex Water

Line description	1 Current company level peak week production capacity (PWPC) Ml/d	2 Reduction in company level PWPC Ml/d	3 Outage proportion of PWPC %	RAG 4 reference
Unplanned or planned outage				
Planned outage	574.44	14.19	2.47%	31.1

Line description	4 Deployable output	5 Outage allowance	6 Dry year demand	7 Target headroom	8 Total population supplied	9 Customers at risk	RAG 4 reference
Risk of severe restrictions in drought							
Risk of severe restrictions in drought	387.54	19.38	336.08	34.20	1,404.62	0.00	31.2

Line description	Total pe served	Total pe in excluded catchments	Percentage of total pe in excluded catchments	Total pe Option 1a	Percentage of total pe Option 1a	Total pe Option 1b	Percentage of total pe Option 1b	Vulnerability risk grade			RAG 4 reference
								Low	Medium	High	
								Percentage of total population served			
Risk of sewer flooding in a storm											
Risk of sewer flooding in a storm	3,664,954	51,472	1.40%	0	0.00%	3,613,482	98.60%	92.02%	0.00%	7.98%	31.3

Line description	20 Number of patch repairs or relining undertaken on sewer and not included in reported sewer collapses.	RAG 4 reference
Sewer collapses		
Sewer collapses	9	31.4

# Section 4: Service level

## Totex

### *Assessment process*

Assessing the variance between actual expenditure and the final determination at any point during a price control period requires logical assessment and assumptions to be applied so that the reporting is consistent and minimises any judgement.

Any variation will comprise a mix of horizontal (advancement or slippage) and vertical (overspend or saving) movements. Table 4C requires the assessment of the variance in 2023-24 compared to the FD.

This analysis does not include expenditure for AMP8 Transition which commenced this reported year and is referred to in tables and commentary for 4L and 4M.

### *Explanation of variance*

The net totex variance for the year 2023-24 is £122m over the FD allowance and the cumulative variance to the end of 2023-24 is £102m over. This is derived from £154m due to overspend and £52m due to reprofiling to the future. Overspend is attributed to increases in base-plus costs to support performance reflected by performance commitments. Expenditure in 2023-24 is higher than previous years reflecting supply chain challenges which impacted the delivery of the WINEP programme. In alignment with the revised dates, all WINEP outputs are forecast to be delivered by March 2025 except one scheme which is subject to significant third-party constraints and for which the EA have agreed a revised date.

With regards to capital expenditure, while the impact of Covid-19 has been largely assimilated into business-as-usual activities, we continue to experience significant supply chain constraints with increases in lead time for work items and protracted land and planning arrangements.

The net opex variance to FD in 2023-24 is an overspend of £39m. Our net opex increased compared to 2022-23 by £24m, primarily the result of increases in power costs of £2m, hired and contracted costs of £9m and employment costs £12m, offset by a £3m net reduction in business rates in the year. These are the results of the ongoing global difficulties that are affecting power supply, supply routes, and the resulting cost of living crisis, which has also increased the cost of unrecoverable debt by £6m. Additionally, employment costs have increased as we begin recruitment ahead of anticipated AMP8 requirements. Power and particularly hired and contracted costs have increased significantly due to the adverse weather in 23-24, the heavier precipitation requiring increased labour, equipment and power.

Cumulative net opex variance to FD to end of 2023-24 is £67m overspent. This is the result of the overspend in the last two years, in prior years we were underspend on net opex compared to FD. The explanation for the overspend is in line with the points noted regarding the net opex spend variance between 2021-22 and 2022-23, in that power, chemical and employment cost have all increased. We continue to pursue the activities noted below to try and mitigate these increases as far as possible:

- reduced power consumption and market rates through forward purchases
- chemical process optimisation and internal review of external contractors

The net capex variance is £84m over FD for 2023-24 and £36m over for the cumulative position for AMP7, relating to a combination of upwards and downwards movements.

- Above-inflation price increases for key material inputs (as above), work items and delivery resources
- Previously we highlighted significant delays and constraints in the supply chain resulting in reprofiled programmes of delivery compared to the FD, particular for wastewater process activities (WINEP). Cumulative expenditure is catching up with the FD profile based on the delivery programmes in place to meet outputs by March 2025.
- Lower grants and contributions than anticipated as a result of slowing of new development earlier in AMP7 due to Covid-19 and regulatory changes encouraging more third parties bidding for



## Section 4: Service level

contestable work, and the impact of increased interest rates.

### Wholesale: Actual expenditure v final determination (FD)

The following table provides a comparison of the actual expenditure to FD in 2023-24.

The comparison is based on the net PAYG FD value at outturn prices and excludes any pension deficit repair allowance, business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing.

2023-24 price base	Water (£m)	Waste (£m)	Total (£m)
Net totex FD (CPIH inflated)	121	329	450
Actual net totex	152	421	573
PAYG variance	31	91	122

The following table provides a comparison of the actual expenditure to FD cumulative to end of 2023-24 and includes AMP7 transitional expenditure.

Cumulative to end 2023-24 outturn	Water (£m)	Waste (£m)	Total (£m)
Net totex FD (CPIH inflated)	471	1,242	1,713
Actual net totex	553	1,262	1,815
PAYG variance	82	20	102

#### Wholesale: water

For wholesale water the totex net expenditure variance to the FD allowance in year is a £31m overspend.

Totex net expenditure variance to the FD allowance cumulative to end of 2023-24 shows a £82m overspend.

The cumulative totex expenditure variance over the FD is the result of several upwards and downwards variances for different drivers. However, the material variances to FD are as follows.

- Where we have explicit allowances to compare we have listed the progress to date.
  - supply environmental programme (WINEP/NEP) is £13m underspent, approximately £10m of this due to efficiencies realised in the project delivery to date, with the remainder due to reprofiling of the programme compared to the FD
  - supply-demand balance is £3m underspent due to reprofiling of the programme and disruption caused by Covid-19 earlier in AMP7. While Covid-19 affected the PCC position this AMP our activities in the year have surpassed our PC target for the volume of water saved through water efficiency activities. These activities have been delivered with cost efficiencies. Our SRO projects continue and advancement of Mendip Quarries SRO will mean we expect to exceed the allowed SRO expenditure by end of AMP
  - metering is £0.3m overspent due to a higher cost per meter installation as more expensive installation methods are required than assumed in the PR19 plan
  - other supply enhancement is £2m underspent due to a proportion of the Non-SEMD expenditure being recorded against waste for the PSTN replacement work (total allowance was against supply only in the FD) and reprofiling of other programmes of work relative to the FD profile
- We are overspending on the modelled base plus costs by £88m due to:
  - having successfully delivered ahead of the leakage target over the last three years and additional activities implemented we have not met the leakage target for 2023/24. The consequence is we have significantly overspent, which is compounded by enhancement leakage expenditure being incorporated in base
  - investment in disinfection improvements as part of our strategy to address the increase in risk of cryptosporidium
  - above inflation increases in power and labour costs

## Section 4: Service level

### *Wholesale: waste*

For wholesale wastewater the totex net expenditure variance to the FD allowance in year is a £91m overspend. The overspend is attributable to catchup from previous years of deferred expenditure plus overspend above allowances for bioresources.

Totex net expenditure variance to the FD allowance cumulative to end of 2023-24 shows a £20m overspend.

The cumulative totex expenditure variance over the FD is the result of several upwards and downwards variances for different drivers, but the material variances to FD are as follows.

- Where we have explicit allowances to compare we have listed the main reasons for the variance to date:
  - Waste environmental programme (WINEP/NEP) is £83m underspent to the end of 2023-24. The net effect of underspend and overspends is £37m of savings from efficiencies realised in the investigations and monitoring delivered to date and the chemical removal programme
  - On the WINEP programme the main variances due to timing are delivery of increase flow to full treatment schemes at Salford and Avonmouth, which have had the regulatory date changed to AMP8, and rephasing the delivery of the phosphorus removal programme due to Covid-19 to meet end of AMP7 regulatory dates
  - Overspend on other enhancements mainly investments in PSTN replacement where the allowance is against supply
- We are overspending on the modelled base plus costs by £45m. The main reasons are:
  - We have invested more in Bioresources assets than estimated in our PR19 plan to meet heightened levels of health & process safety now expected at those sites. We have commenced a significant programme of works at our Poole Bioresources Centre which is due to complete in 2025/26
  - We are continuing to invest more in AMP7 compared with previous AMPs to reduce the risk of pollution events according to our Pollution Incident Reduction Plan which has been shared with the Environment Agency. Due to the prolonged wet conditions we have seen an elevated level of total pollutions in 2023/24, although there were no serious pollutions
- Lower income from grants and contributions due to the housing market being affected by the changes to interest rates and economic uncertainty. More developers are using selflay and NAVs to carry out work which historically would have been conducted by the incumbent water company

### *Disallowable costs*

Gross totex figures reported in table 4C generally exclude disallowable costs, but we have reported £1.8m of disallowable costs in line 4, which are reported in totex costs in tables 4D and 4E. These include:

- £0.1m in relation to the investigation of the incident at Avonmouth WRC
- £0.2m of legal and support costs resulting from financing activities
- £0.6m arising from fines or compensation claims against the Company
- £0.8m from backdated adjustment for Guaranteed Service Standard

### *Recharges between business units*

Some assets within the appointed business are multifunctional in nature in that more than one price control unit will benefit from their use over time. Examples of such 'Management and General' assets include IT systems, IT hardware infrastructure, laboratories, offices, depots, stores, and some vehicles.

The approach adopted by Wessex Water is to assign such assets to the price control unit that is the principal user of the asset. A recharge of the usage by other price control units is then calculated based on the most appropriate cost driver. Typically, this is the same as the one used for overhead allocation of operating costs associated with the asset.

## Section 4: Service level

Consistent with last year, the major beneficiary of net recharges is Wastewater Networks Plus at £2.3m (£2.1m 2022-23) and the largest net recipient of charges is Water Networks Plus at £1.4m (£1.2m 2022-23). At the same time recharges to Retail have decreased to £0.3m, down from £0.4m in 2022-23).

## Return on regulatory equity

Return on regulatory equity figures are presented within table 1F.

We have included the company share of land sales as disclosed in table 2L and calculated as per the PR24 reconciliation model, within the exceptional items.

## Supply-demand balance and metering

Our last published Water Resources Management Plan (WRMP), in 2019, did not identify any supply-demand balance deficit and hence there are no lines of expenditure specific to this. However, the assessment of large strategic water resource options was agreed at the PR19 Final Determination (FD19) as part of the remit of the West Country Water Resources Group (WCWRG). The WCWRG is a partnership between ourselves, Bristol Water and South West Water. The group is responsible for producing a regional plan and for investigating a number of strategic resource options (SRO).

There are currently three SRO projects in the WCWRG region that are following the gated process overseen by RAPID. All three projects have successfully passed through gate two.

The gate two submissions for the Poole water recycling and Cheddar two reservoir projects were made in November 2022. RAPID/Ofwat issued their draft decisions for consultation in early May 2023. Both schemes were approved to progress to the next gate, with the addition of an extra hold point (Conditional Review) for the Cheddar scheme, date to be confirmed in 2024, at which time it will be necessary to demonstrate there is a need for the scheme and that it features in a best value plan in the companies' revised WRMPs.

The third project, Mendip Quarries, is following a later timeline with the gate two submission completed on 17 July 2023 and final decision issued by RAPID in February 2024. The scheme aims to re-purpose an existing quarry at the end of its mineral extraction life for use as a water storage reservoir.

The design development and investigations are being undertaken by consultants under a Project Director working for the WCWRG. Expenditure is tracked in line with allowances agreed at FD19 and subsequent increases to Gate 3 allowances agreed by RAPID as part of the Gate 2 submissions.

All the gate submissions are published on the WCWRG website. RAPID's decisions are published on their website.

Our commentary for Table 6B outlines the components of our water balance. Our total leakage for 2023-24 was 69.8 Ml/d, which is a 1.4 Ml/d decrease on the previous year. Since the publication of WRMP19, we have restarted our baseline leakage as part of the leakage convergence methodology. Leakage has been generally lower than WRMP19 forecasts due to methodology changes, but also due to overperformance in our reductions in previous years. In 2022-23 and 2023-24, in year outturn however is slightly higher than the WRMP19 forecast – 1 Ml/d above the 2023/24 forecast of 68.8 Ml/d. 2023-24 began around 5 Ml/d higher than the previous year due to carryover from the 2022-23 winter outbreak. Good progress was then made throughout 2023, but record heat events in June and September and a short-lived cold weather event in the winter saw leakage increase. This is detailed further in the commentary of Table 3 W1 (Section 3).

We do not currently have a smart metering programme. Our default policy at the current time is to replace basic meters with basic meters. We are developing a smart metering programme as part of WRMP24 and PR24.

Our table commentaries on leakage (Section 3) and metering (Table 6D and 4L) detail our enhancement expenditure and progress with our leakage and metering programmes. The WRMP19 metering strategy involves the continuation of free optional metering services and a policy to meter households on change of occupier. The total number of optant and selective meters (change of occupier) was 6,473. Our total meter penetration is 73.4% compared to our WRMP19 forecast of 76.7%. The number of optant meters installed this year has remained higher than during the covid-impacted period in 2020-21 and 2021-22, but

## Section 4: Service level

is still lower than our WRMP19 forecasts. The increase can also be attributed to the cost-of-living crisis affecting all areas of household expenditure and therefore more customers choosing to switch to a meter to save money.

Our water efficiency strategy for AMP7 currently focuses on providing water efficiency information and advice, promoting water efficiency devices, and carrying out targeted home and school water efficiency visits. Further details on our activities are outlined in the commentary of Table 3 W4 (Section 3). In 2023-24 we delivered 1.34 MI/d of water efficiency savings, resulting in a cumulative outturn performance of 4.93MI/d compared to the performance commitment target of 4.0MI/d. This continues the increase in delivery that was seen in 2022-23 compared to 2020-21 and 2021-22 following Covid restrictions preventing the launch at the start of the AMP of the audit programme. There is also heightened awareness of the link between water and energy use during the cost-of-living crisis.

## Narrative on costs

### Table 4L

#### **Integrated supply grid**

We incurred minimal costs relating to the Corfe Mullen to Salisbury transfer scheme. Although the scheme is complete, there were some outstanding costs for land compensation. This relates to an AMP6 enhancement where the full costs were not in the 2019/20 baseline as new costs are still being incurred.

#### **NEP – CROW Act**

As this relates to the NEP completed in AMP6 costs are no longer reported as enhancement.

#### **Partnership working**

The operating expenditure is for undertaking condition reviews, land management plan reviews and connected improvements to a number of SSSI sites such as the Monkswood Valley, Poole Harbour, Nutscale Reservoir in Exmoor and other water sources.

#### **NEP - Local priority**

Minimal expenditure in previous years relating to a previously completed project at Mere with AMP6 drivers.

#### **PR24 25 Year Environment Plan**

AMP8 transition expenditure on a chalk stream restoration project with this WINEP driver.

#### **NEP - WFD water resource investigations**

Expenditure in 2020/21 to complete investigations with AMP6 outputs.

### Table 4M

#### **WINEP – Monitoring of pass forward flows at CSOs**

EA permit fees for an AMP6 scheme that monitored pass forward flow at strategic pumping stations. The project was previously completed but was reopened for these permit costs.

#### **Storm overflow improvement (not storage) - Non WINEP**

This expenditure is for projects where the output is not described by the existing enhancement drivers in this table. These projects will provide improvements to storm overflows but the solution will not be storage. They will provide improved operation and screening combined with nature-based solutions.

#### **North Bristol strategic sewers**

This programme provides extra capacity in the sewer network for existing housing and new developments in North Bristol. This investment is named in the PR19 FD under this freeform enhancement category.

We are accounting all costs against the North Bristol strategic sewer freeform line. This includes an allowance for network reinforcement accounted for in table 2J.

#### **Network growth**

These are opex costs relate to sewage pumping stations that have been adopted which we are now required to operate.

#### **Partnership working**

#### Section 4: Service level

Expenditure in the report year was incurred on 3 catchment partnerships (Bristol Avon, Stour and Poole Harbour), partnerships with Rivers & Wildlife Trusts and working with community groups to improve bathing water amenities.

#### **Pollution Reduction Strategy**

This expenditure relates to DEFRA's request to further accelerate works to reduce pollution. These works include installing in-sewer depth monitors to prevent spills due to blockages and creating a smart network system to provide a holistic view of treatment works and network performance by enabling a catchment based approach to sewerage management.

#### **P Removal outperformance**

These are for additional operating costs at treatment sites to achieve the performance commitment for phosphorus removal in the Hampshire Avon Catchment.

#### **Additional line 8**

Line not used.

#### **PR24 Treatment for nutrients N or P and / or sanitary determinands, nature based solution WINEP/NEP**

AMP8 transition expenditure to commence a project for phosphorus removal at East Harptree WRC which is planned to have a nature based solution.

#### **PR24 Continuous river water quality monitoring**

AMP8 transition expenditure to continuously monitor the quality of water upstream and downstream of WRCs and storm overflows.

Reporting categories are assigned to capital projects on a percentage basis determined from analysing the cost estimate for the project to completion which is done initially at project conception. The reporting categories are not revised annually based on expenditure incurred in the year. However, reporting categories are reviewed on a prioritised basis following full financial approval when scope of the project has been agreed. To calculate the total to be reported against the applicable categories for each project the total capex is multiplied by the percentage assigned to each reporting category.

£29m of capital expenditure in the 2023-24 regulatory year has been subjected to proportional allocation between maintenance and enhancement or developer services. This is for projects with more than one investment driver. The breakdown of the allocation to investment drivers is shown in the table below.

<b>Project Investment driver combination</b>	<b>2023-24 capex £m</b>
Base & Developer Services capital expenditure	1.4
Base & Enhancement capital expenditure	27.6
Enhancement & Developer Services capital expenditure	0.4
<b>Total</b>	<b>29.4</b>

£101m of capital expenditure in the 2023-24 regulatory year has been subjected to proportional allocation between enhancement investment drivers and/or between enhancement and capital maintenance. This is for projects with more than one investment driver. The breakdown of the allocation to investment drivers is shown in the table below. This includes AMP8 transition expenditure.

<b>Cost allocation for projects with more than one investment driver</b>	
<b>Investment driver</b>	<b>2023/24 capex £m</b>
Growth at sewage treatment works (excluding sludge treatment)	11.517

#### Section 4: Service level

Odour	0.002
PR24 Investigations WINEP/NEP desk based study only water	0.009
PR24 Investigations WINEP/NEP multiple surveys, and/or monitoring locations, and/or complex modelling water	0.048
PR24 Investigations WINEP/NEP survey, monitoring or simple modelling water	0.008
PR24 Investigations, WINEP/NEP desk based studies only wastewater	0.005
PR24 Investigations, WINEP/NEP multiple surveys, and/or monitoring locations, and/or complex modelling wastewater	0.119
PR24 Investigations, WINEP/NEP survey, monitoring or simple modelling wastewater	0.029
New meters introduced by companies for existing customers	0.851
New meters requested by existing customers (optants)	1.650
New meters for existing customers - business	0.017
PR24 Replacement of existing basic meters with AMI meters for business customers	0.001
PR24 Replacement of existing basic meters with AMI meters for residential customers	0.012
PR24 Smart meter infrastructure	0.001
PR24 Treatment for phosphorus removal chemical WINEP/NEP	5.018
PR24 Treatment for total nitrogen removal chemical WINEP/NEP	0.167
Reduce flooding risk for properties	0.147
WINEP - AMP8 Advance Flow monitoring at STWs	0.360
WINEP - Conservation drivers	0.236
WINEP - Flow monitoring at sewage treatment works	2.555
WINEP - Investigations	0.188
WINEP - Nutrients (P removal at STWs)	26.782
WINEP - Reduction of sanitary parameters	20.285
WINEP - Schemes to increase flow to full treatment	12.720
WINEP - Storage schemes at STWs to increase storm tank capacity	8.038
WINEP - Storage schemes in the network to reduce spill frequency at CSOs, etc	5.476

#### Section 4: Service level

WINEP - UV disinfection (or similar)	0.065
WINEP - Water Framework Directive measures	0.061
Capital Maintenance	4.213
<b>Total</b>	<b>100.58</b>

For the resident population we are using the ONS mid-year estimates which include the Census 2011 population uplift. For APR reporting years 2015-16 to 2021-22 the 2011 Census was used. For the 2022/23 & 2023/24 population the 2021 census has been used as this data is included within the current ONS mid-year estimates.

On wastewater, the non-resident population is based on data provided by the Southwest Tourist Board in 2011 which gave the number of bed spaces available for various types of holiday accommodation; an occupancy rate of two-thirds for four months of the year is assumed (i.e. 2/9 as per RAG 4.10 4R.29). This dataset is amended (as necessary) when we review STW populations as part of potential growth in a particular catchment.

Section 4: Service level

Pro forma 4A

Water bulk supply information for the 12 months ended 31 March 2024

Line description	Volume	Operating costs	Revenue	RAG 4 reference
Units	MI	£m	£m	
DPs	3	3	3	
<b>Bulk supply exports</b>				
Bournemouth Water, Whiteparish	0.000	0.000	0.000	4A.1
Wessex cross connection to Bournemouth Water, Corfe Hills	0.000	0.000	0.000	4A.2
Bristol Water, Chapmanslade	18.510	0.005	0.042	4A.3
Bristol Water, Compton Dundon (Ivythorne)	96.966	0.027	0.000	4A.4
Bristol Water, Corsley	28.111	0.008	0.061	4A.5
Bristol Water, Lydford	16.091	0.004	0.001	4A.6
Bristol Water, Standerwick	0.000	0.000	0.000	4A.7
Bristol Water, Shipton Moyne	5.749	0.002	0.000	4A.8
Leep Utilities (Scottish & Southern), Old Sarum	115.338	0.032	0.174	4A.9
Leep Utilities (Scottish & Southern), Brewery Square	48.815	0.013	0.098	4A.10
Leep Utilities, Victoria Road 1	2.735	0.001	0.001	4A.11
Leep Utilities, Victoria Road 2	0.000	0.000	0.000	4A.12
Leep Utilities, Semington Road	0.000	0.000	0.000	4A.13
Independent Water Networks Ltd, Wey Valley, Weymouth	1.318	0.000	0.000	4A.14
Independent Water Networks Ltd, Liddymore Farm, Watchet	1.455	0.000	0.000	4A.15
Independent Water Networks Ltd, Firs Road, Alderbury	8.326	0.002	0.001	4A.16
Independent Water Networks Ltd, Swanage Grammar School	2.655	0.001	0.000	4A.17
Independent Water Networks Ltd, Three Lanes Way, Dorchester	1.719	0.000	0.000	4A.18
Independent Water Networks Ltd, Shillingstone Lane, Okeford	0.098	0.000	0.000	4A.19
Independent Water Networks Ltd, Curtis Fields, Weymouth	0.002	0.000	0.000	4A.20
Independent Water Networks Ltd, Station Road, Crewkerne	0.258	0.000	0.000	4A.21
Independent Water Networks Ltd, Northfields, Sturminster	0.248	0.000	0.000	4A.22
Independent Water Networks Ltd, Station Road, Milborne Port	0.157	0.000	0.000	4A.23
Independent Water Networks Ltd, Elm Close, Sturminster	0.008	0.000	0.000	4A.24
Independent Water Networks Ltd, Littlemoore Road	0.525	0.000	0.000	4A.25
Independent Water Networks Ltd, Netherhampton Road North,	0.140	0.000	0.000	4A.26
Independent Water Networks Ltd, Wey Valley 2	0.011	0.000	0.000	4A.27
Independent Water Networks Ltd, Jurston Farm, Wellington	0.000	0.000	0.000	4A.28
Independent Water Networks Ltd, Lavington Lane, West	0.000	0.000	0.000	4A.29
Independent Water Networks Ltd, Stalbridge Road,	0.000	0.000	0.000	4A.30
Independent Water Networks Ltd, Abbey Gardens/Niveus Walk,	0.000	0.000	0.006	4A.31
Independent Water Networks Ltd, Grovelands Way	0.000	0.000	0.000	4A.32
Independent Water Networks Ltd, Netherhampton Road,	0.000	0.000	0.000	4A.33
Independent Water Networks Ltd, Bower Farm Bridgwater	0.000	0.000	0.000	4A.34
Independent Water Networks Ltd, Jurston Farm 2, Wellington	0.000	0.000	0.000	4A.35
Independent Water Networks Ltd, Westside Close, Salisbury	0.000	0.000	0.000	4A.36
Icosa Water, Comeytrowe Taunton	31.930	0.009	0.058	4A.37
<b>Total bulk supply exports</b>	<b>381.164</b>	<b>0.104</b>	<b>0.444</b>	4A.38



Section 4: Service level

Line description	Volume	Operating costs
Units	MI	£m
DPs	3	3

Bulk supply imports			
Bournemouth Water, Whiteparish	0.000	0.000	4A.27
Wessex cross connection to Bournemouth Water, Corfe Hills	0.000	0.000	4A.28
Bournemouth Water, Crichel/Stubhampton	0.000	0.000	4A.29
Bristol Water, Ashcott	93.808	0.000	4A.30
Bristol Water, Bath	1,728.917	1.181	4A.31
Bristol Water, Marshfield	10.655	0.000	4A.32
Southern Water, Biddesden	3.503	0.008	4A.33
Southern Water, Ludgershall	74.557	0.168	4A.34
Southern Water, Andover	0.000	0.000	4A.35
South West Water, Charmouth	3.760	0.011	4A.36
South West Water, Wellington	12.105	0.024	4A.37
Thames Water, Malmesbury	8.562	0.000	4A.38
Veolia, Leckford	645.232	0.510	4A.39
Veolia, Pewsey (Tidworth)	57.139	0.097	4A.40
<b>Total bulk supply imports</b>	<b>2,638.238</b>	<b>1.999</b>	<b>4A.52</b>

Section 4: Service level

Pro forma 4C

Impact of price control performance to date on RCV

Line description	Units	DPs	12 months ended 31 March 2024					Price control period to date					RAG 4 reference
			Water resources	Water network plus	Wastewater network plus	Bioresources	Additional Control	Water resources	Water network plus	Wastewater network plus	Bioresources	Additional Control	
Totex (net of business rates, abstraction licence fees and grants and contributions)													
Final determination allowed totex (net of business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	3	13.158	107.652	302.825	26.679	0.000	63.715	407.494	1,143.518	98.200	0.000	4C.1
Actual totex (excluding business rates, abstraction licence fees, grants and contributions and other items not subject to cost sharing)	£m	3	14.337	137.654	357.562	64.532	0.000	47.405	505.909	1,086.632	168.897	0.000	4C.2
Transition expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	9.200	0.000	0.000	4C.3
Disallowable costs	£m	3	0.043	0.417	1.083	0.306	0.000	0.067	0.681	1.606	1.439	0.000	4C.4
Total actual totex (net of business rates, abstraction licence fees and grants and contributions)	£m	3	14.294	137.237	356.479	64.226	0.000	47.338	505.228	1094.226	167.458	0.000	4C.5
Variance	£m	3	1.136	29.585	53.654	37.547	0.000	-16.377	97.734	-49.292	69.258	0.000	4C.6
Variance due to timing of expenditure	£m	3	1.308	-2.912	43.963	0.000	0.000	-4.865	-2.912	-44.579	0.000	0.000	4C.7
Variance due to efficiency	£m	3	-0.172	32.497	9.691	37.547	0.000	-11.512	100.646	-4.713	69.258	0.000	4C.8
Customer cost sharing rate - outperformance	%	2	56.14%	56.14%	58.67%	0.00%	0.00%	56.14%	56.14%	58.67%	0.00%	0.00%	4C.9
Customer cost sharing rate - underperformance	%	2	43.86%	43.86%	41.33%	0.00%	0.00%	43.86%	43.86%	41.33%	0.00%	0.00%	4C.10
Customer share of totex overspend	£m	3	0.000	14.253	4.005	0.000	0.000	0.000	44.143	0.000	0.000	0.000	4C.11
Customer share of totex underspend	£m	3	-0.097	0.000	0.000	0.000	0.000	-6.463	0.000	-2.765	0.000	0.000	4C.12
Company share of totex overspend	£m	3	0.000	18.244	5.686	37.547	0.000	0.000	56.503	0.000	69.258	0.000	4C.13
Company share of totex underspend	£m	3	-0.075	0.000	0.000	0.000	0.000	-5.049	0.000	-1.948	0.000	0.000	4C.14

## Section 4: Service level

Totex - business rates and abstraction licence fees													
Final determination allowed totex - business rates and abstraction licence fees	£m	3	3.615	17.469	8.673	2.035	0.000	13.225	63.907	31.727	7.444	0.000	4C.15
Actual totex - business rates and abstraction licence fees	£m	3	3.427	10.399	8.129	1.877	0.000	14.125	55.812	29.575	6.756	0.000	4C.16
Variance - business rates and abstraction licence fees	£m	3	-0.188	-7.070	-0.544	-0.158	0.000	0.900	-8.095	-2.152	-0.688	0.000	4C.17
Customer cost sharing rate - business rates	%	2	75.00%	75.00%	75.00%	0.00%	0.00%	75.00%	75.00%	75.00%	0.00%	0.00%	4C.18
Customer cost sharing rate - abstraction licence fees	%	2	75.00%	75.00%	75.00%	0.00%	0.00%	75.00%	75.00%	75.00%	0.00%	0.00%	4C.19
Customer share of totex over/underspend - business rates and abstraction licence fees	£m	3	-0.141	-5.303	-0.408	0.000	0.000	0.675	-6.071	-1.614	0.000	0.000	4C.20
Company share of totex over/underspend - business rates and abstraction licence fees	£m	3	-0.047	-1.768	-0.136	-0.158	0.000	0.225	-2.024	-0.538	-0.688	0.000	4C.21
Totex not subject to cost sharing													
Final determination allowed totex - not subject to cost sharing	£m	3	1.045	2.254	0.260	0.000	0.000	3.572	7.496	0.952	0.000	0.000	4C.22
Actual totex - not subject to cost sharing	£m	3	3.246	8.884	11.279	2.632	0.000	8.081	27.968	34.663	9.923	0.000	4C.23
Variance - 100% company allocation	£m	3	2.201	6.630	11.019	2.632	0.000	4.509	20.472	33.711	9.923	0.000	4C.24
Total customer share of totex over/under spend	£m	3	-0.238	8.951	3.597	0.000	0.000	-5.788	38.072	-4.379	0.000	0.000	4C.25
RCV													
Total customer share of totex over/under spend	£m	3	-0.238	8.951	3.597	0.000	0.000	-5.788	38.072	-4.379	0.000	0.000	4C.26
PAYG rate	%	2	72.500%	73.280%	41.950%	75.580%	0.000%	63.030%	71.130%	39.290%	74.870%	0.000%	4C.27
RCV element of cumulative totex over/underspend	£m	3	-0.065	2.392	2.088	0.000	0.000	-2.140	10.991	-2.659	0.000	0.000	4C.28
Adjustment for ODI outperformance payment or underperformance payment	£m	3						0.000	0.000	0.000	0.000	0.000	4C.29
Green recovery	£m	3						0.000	0.000	0.000		0.000	4C.30
RCV determined at FD at 31 March	£m	3						95.678	1,293.146	2,792.512	123.620	0.000	4C.31
Projected 'shadow' RCV	£m	3						93.538	1,304.137	2,789.853	123.620	0.000	4C.32

## Section 4: Service level

Pro forma 4D

### Totex analysis for the 12 months ended 31 March 2024 - water resources and water network+

Line description	Units	DPs	Water resources	Network+				Total	RAG 4 reference
				Raw water transport	Raw water storage	Water treatment	Treated water distribution		
<b>Operating expenditure</b>									
Base operating expenditure	£m	3	11.430	0.000	0.000	29.131	54.400	94.961	4D.1
Enhancement operating expenditure	£m	3	0.885	0.000	0.000	0.022	2.179	3.086	4D.2
Developer services operating expenditure	£m	3	0.000	0.000	0.000	0.000	1.991	1.991	4D.3
Total operating expenditure excluding third party services	£m	3	12.315	0.000	0.000	29.153	58.570	100.038	4D.4
Third party services	£m	3	0.771	0.000	0.000	0.085	0.749	1.605	4D.5
Total operating expenditure	£m	3	13.086	0.000	0.000	29.238	59.319	101.643	4D.6
<b>Grants and contributions</b>									
Grants and contributions - operating expenditure	£m	3	0.000	0.000	0.000	0.000	1.655	1.655	4D.7
<b>Capital expenditure</b>									
Base capital expenditure	£m	3	3.348	0.145	0.000	10.661	37.851	52.005	4D.8
Enhancement capital expenditure	£m	3	3.738	0.014	0.000	3.881	7.456	15.089	4D.9
Developer services capital expenditure	£m	3	0.000	0.000	0.000	0.000	4.990	4.990	4D.10
Total gross capital expenditure excluding third party services	£m	3	7.086	0.159	0.000	14.542	50.297	72.084	4D.11
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.12
Total gross capital expenditure	£m	3	7.086	0.159	0.000	14.542	50.297	72.084	4D.13
<b>Grants and contributions</b>									
Grants and contributions - capital expenditure	£m	3	0.000	0.000	0.000	0.000	2.135	2.135	4D.14
Net totex	£m	3	20.172	0.159	0.000	43.780	105.826	169.937	4D.15
<b>Cash expenditure</b>									
Pension deficit recovery payments	£m	3	0.957	0.000	0.000	2.307	4.558	7.822	4D.16
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.17
Totex including cash items	£m	3	21.129	0.159	0.000	46.087	110.384	177.759	4D.18

Line description	Units	DPs	Water resources	Network+				Total	RAG 4 reference
				Raw water transport	Raw water storage	Water treatment	Treated water distribution		
<b>Atypical expenditure</b>									
Item 1	£m	3						0.000	4D.19
Item 2	£m	3						0.000	4D.20
Item 3	£m	3						0.000	4D.21
Item 4	£m	3						0.000	4D.22
Item 5	£m	3						0.000	4D.23
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.24

Section 4: Service level

Pro forma 4E

Totex analysis for the 12 months ended 31 March 2024 - wastewater network+ and biosources

Line description	Units	DPs	Network+ Sewage collection			Network+ Sewage treatment		Biosources			Total	RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal		
<b>Operating expenditure</b>												
Base operating expenditure	£m	3	26.923	9.397	10.055	69.306	2.363	9.099	14.415	6.223	147.781	4E.1
Enhancement operating expenditure	£m	3	2.071	0.007	0.000	4.826	0.001	0.000	0.589	0.000	7.494	4E.2
Developer services operating expenditure	£m	3	0.472	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.472	4E.3
Total operating expenditure excluding third party services	£m	3	29.466	9.404	10.055	74.132	2.364	9.099	15.004	6.223	155.747	4E.4
Total third party services	£m	3	0.816	0.400	0.450	-0.069	0.000	0.000	0.000	0.000	1.597	4E.5
Total operating expenditure	£m	3	30.282	9.804	10.505	74.063	2.364	9.099	15.004	6.223	157.344	4E.6
<b>Grants and contributions</b>												
Grants and contributions - operating expenditure	£m	3	0.582	0.188	0.171	0.000	0.000	0.000	0.000	0.000	0.941	4E.7
<b>Capital expenditure</b>												
Base capital expenditure	£m	3	40.759	3.603	0.000	38.493	0.020	0.980	33.033	0.130	117.018	4E.8
Enhancement capital expenditure	£m	3	18.660	3.710	0.000	146.936	4.065	0.000	2.315	0.000	175.686	4E.9
Developer services capital expenditure	£m	3	5.894	0.538	0.000	0.000	0.000	0.000	0.000	0.000	6.432	4E.10
Total gross capital expenditure excluding third party services	£m	3	65.313	7.851	0.000	185.429	4.085	0.980	35.348	0.130	299.136	4E.11
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.12
Total gross capital expenditure	£m	3	65.313	7.851	0.000	185.429	4.085	0.980	35.348	0.130	299.136	4E.13
<b>Grants and contributions</b>												
Grants and contributions - capital expenditure	£m	3	2.809	0.337	0.000	0.000	0.000	0.000	0.000	0.000	3.146	4E.14
<b>Net totex</b>	£m	3	92.204	17.130	10.334	259.492	6.449	10.079	50.352	6.353	452.393	4E.15
<b>Cash expenditure</b>												
Pension deficit recovery payments	£m	3	2.020	0.652	0.592	4.988	0.000	1.257	1.069	0.000	10.578	4E.16
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.17
Totex including cash items	£m	3	94.224	17.782	10.926	264.480	6.449	11.336	51.421	6.353	462.971	4E.18

Line description	Units	DPs	Network+			Network+		Biosources			Total	
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Imported sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal		
<b>Atypical expenditure</b>												
Item 1	£m	3									0.000	4E.19
Item 2	£m	3									0.000	4E.20
Item 3	£m	3									0.000	4E.21
Item 4	£m	3									0.000	4E.22
Item 5	£m	3									0.000	4E.23
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.24

Section 4: Service level

Pro forma 4F

Major project expenditure for wholesale water by purpose for the 12 months ended 31 March 2024

Line description	Units	Dps	Expenditure in report year £m					Cumulative expenditure on incurred on schemes in £m					RAG 4 reference
			Water resources	Water network+			Total	Water resources	Water network+			Total	
				Raw water transport	Raw water storage	Water treatment			Treated water distribution	Raw water transport	Raw water storage		

Major project capital expenditure by purpose

Cheddar 2 Reservoir and Transfer	£m	3	0.282	0.014	0.000	0.069	0.109	0.474	0.609	0.030	0.000	0.150	0.221	1.010	4F.1
Poole Water Recycling and Transfer	£m	3	0.590	0.000	0.000	0.000	0.000	0.590	1.104	0.000	0.000	0.000	0.000	1.104	4F.2
West Country Mendip Quarries	£m	3	0.554	0.000	0.000	0.000	0.076	0.630	1.170	0.000	0.000	0.000	0.160	1.330	4F.3
Regional Model for the West Country Water	£m	3	0.050	0.000	0.000	0.000	0.000	0.050	0.050	0.000	0.000	0.000	0.000	0.050	4F.4
Capital expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.5
Capital expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.6
Capital expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.7
Capital expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.8
Capital expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.9
Capital expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.10
<b>Total major project capital expenditure</b>	<b>£m</b>	<b>3</b>	<b>1.476</b>	<b>0.014</b>	<b>0.000</b>	<b>0.069</b>	<b>0.185</b>	<b>1.744</b>	<b>2.933</b>	<b>0.030</b>	<b>0.000</b>	<b>0.150</b>	<b>0.381</b>	<b>3.494</b>	<b>4F.11</b>

Major project operating expenditure by purpose

Operating expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.12
Operating expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.13
Operating expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.14
Operating expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.15
Operating expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.16
Operating expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.17
Operating expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.18
Operating expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.19
Operating expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.20
Operating expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.21
<b>Total major project operating expenditure</b>	<b>£m</b>	<b>3</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4F.22</b>

Section 4: Service level

Pro forma 4G

Major project expenditure for wholesale wastewater by purpose for the 12 months ended 31 March 2024																							
Line description	Units	DPs	Expenditure in report year £m									Cumulative expenditure incurred on schemes in £m									RAG 4 reference		
			Wastewater network+				Bioresources					Total	Wastewater network+				Bioresources					Total	
			Sewage collection			Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal	Sewage collection			Sewage treatment and disposal	Sludge liquor treatment	Sludge transport	Sludge treatment	Sludge disposal					
Foul	Surface water drainage	Highway drainage	Foul	Surface water drainage	Highway drainage						Foul	Surface water drainage	Highway drainage										
<b>Major project capital expenditure by purpose</b>																							
Capital expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.1		
Capital expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.2		
Capital expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.3		
Capital expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.4		
Capital expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.5		
Capital expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.6		
Capital expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.7		
Capital expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.8		
Capital expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.9		
Capital expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.10		
<b>Total major project capital expenditure</b>	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.11		
<b>Major project operating expenditure by purpose</b>																							
Operating expenditure purpose - line 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.12		
Operating expenditure purpose - line 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.13		
Operating expenditure purpose - line 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.14		
Operating expenditure purpose - line 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.15		
Operating expenditure purpose - line 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.16		
Operating expenditure purpose - line 6	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.17		
Operating expenditure purpose - line 7	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.18		
Operating expenditure purpose - line 8	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.19		
Operating expenditure purpose - line 9	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.20		
Operating expenditure purpose - line 10	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.21		
<b>Total major project operating expenditure</b>	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4G.22		

Section 4: Service level

Pro forma 4H

Wessex Water

Financial metrics for the 12 months ended 31 March 2024

Line description	Units	DPs	Current year	AMP to date	RAG 4 reference
<b>Financial indicators</b>					
Net debt	£m	3	2963.422		4H.1
Regulatory equity	£m	3	1,341.534		4H.2
Regulatory gearing	%	2	68.84%		4H.3
Post tax return on regulatory equity	%	2	-3.76%		4H.4
RORE (return on regulatory equity)	%	2	3.77%	5.98%	4H.5
Dividend yield	%	2	4.96%		4H.6
Retail profit margin - Household	%	2	-1.38%		4H.7
Retail profit margin - Non household	%	2	0.00%		4H.8
Credit rating - Fitch	Text	n/a	BBB+ (Stable)		4H.9
Credit rating - Moody's	Text	n/a	Baa1 (Stable)		4H.10
Credit rating - Standard and Poor's	Text	n/a	N/A		4H.11
Return on RCV	%	2	3.54%		4H.12
Dividend cover	dec	2	-0.59		4H.13
Funds from operations (FFO)	£m	3	161.611		4H.14
Interest cover (cash)	dec	2	2.59		4H.15
Adjusted interest cover ratio (ACICR)	dec	2	0.66		4H.16
FFO/Net debt	dec	2	0.05		4H.17
Effective tax rate	%	2	0.06%		4H.18
Retained cash flow (RCF)	£m	3	95.111		4H.19
RCF/Net debt	dec	2	0.03		4H.20

<b>Borrowings</b>					
Proportion of borrowings which are fixed rate	%	2	55.18%		4H.21
Proportion of borrowings which are floating rate	%	2	14.06%		4H.22
Proportion of borrowings which are index linked	%	2	30.76%		4H.23
Proportion of borrowings due within 1 year or less	%	2	1.70%		4H.24
Proportion of borrowings due in more than 1 year but no more than 2 years	%	2	6.52%		4H.25
Proportion of borrowings due in more than 2 years but no more than 5 years	%	2	9.24%		4H.26
Proportion of borrowings due in more than 5 years but no more than 20 years	%	2	54.75%		4H.27
Proportion of borrowings due in more than 20 years	%	2	27.79%		4H.28

The values included on the table do not include any rounding adjustments.



## Section 4: Service level

Pro forma 4J

### Base expenditure analysis for the 12 months ended 31 March 2024 - water resources and water network+

Line description	Units	DPs	Water resources	Water network+				Total	RAG 4 reference
				Raw water distribution	Raw water storage	Water treatment	Treated water distribution		
<b>Operating expenditure</b>									
Power	£m	3	3,755	0.000	0.000	8,425	3,212	15,392	4J.1
Income treated as negative expenditure	£m	3	-0.002	0.000	0.000	-0.035	-0.016	-0.053	4J.2
Bulk Supply/Bulk discharge	£m	3	0.000	0.000	0.000	1,486	0.513	1,999	4J.3
Renewals expensed in year (infrastructure)	£m	3	0.354	0.000	0.000	0.110	6,668	7,132	4J.4
Renewals expensed in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.5
Other operating expenditure	£m	3	3,896	0.000	0.000	17,819	34,827	56,542	4J.6
Local authority and Cumulo rates	£m	3	0.621	0.000	0.000	1,179	9,060	10,860	4J.7
<b>Service Charges</b>									
Canal & River Trust abstraction charges/ discharge consents	£m	3	0.296	0.000	0.000	0.000	0.000	0.296	4J.8
Environment Agency / NRW abstraction charges/ discharge consents	£m	3	2,510	0.000	0.000	0.147	0.013	2,670	4J.9
Other abstraction charges/ discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.10
<b>Location specific costs &amp; obligations</b>									
Costs associated with Traffic Management Act	£m	3	0.000	0.000	0.000	0.000	0.123	0.123	4J.11
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.12
Statutory water softening	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.13
<b>Total base operating expenditure</b>	<b>£m</b>	<b>3</b>	<b>11,430</b>	<b>0.000</b>	<b>0.000</b>	<b>29,131</b>	<b>54,400</b>	<b>94,961</b>	<b>4J.14</b>
<b>Capital expenditure</b>									
Maintaining the long term capability of the assets - infra	£m	3	0.798	0.140	0.000	0.623	25,146	26,707	4J.15
Maintaining the long term capability of the assets - non-infra	£m	3	2,550	0.005	0.000	10,038	12,705	25,298	4J.16
<b>Total base capital expenditure</b>	<b>£m</b>	<b>3</b>	<b>3,348</b>	<b>0.145</b>	<b>0.000</b>	<b>10,661</b>	<b>37,851</b>	<b>52,005</b>	<b>4J.17</b>
<b>Traffic Management Act</b>									
Projects incurring costs associated with Traffic Management Act	nr	0	0	0	0	0	2468	2468	4J.18

Section 4: Service level

Pro forma 4K

**Base expenditure analysis for the 12 months ended 31 March 2024 - wastewater network + and bioresources**

Line description	Units	DPs	Expenditure in report year									RAG 4 reference
			Wastewater network+					Bioresources			Total	
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment	Sludge Transport	Sludge Treatment	Sludge Disposal		
<b>Operating expenditure</b>												
Power	£m	3	4.172	2.043	2.299	24.535	1.527	0.047	1.504	0.020	36.147	4K.1
Income treated as negative expenditure	£m	3	-0.006	-0.003	-0.003	-0.045	0.000	-0.014	-4.084	-0.683	-4.838	4K.2
Bulk Supply/Bulk discharge	£m	3	0.004	0.002	0.002	0.054	0.006	0.000	0.013	0.000	0.081	4K.3
Renewals expended in year (infrastructure)	£m	3	8.654	0.459	0.000	0.210	0.000	0.000	0.000	0.000	9.323	4K.4
Renewals expended in year (non-infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.5
Other operating expenditure	£m	3	13.388	6.558	7.377	34.262	0.453	9.066	15.083	6.883	93.070	4K.6
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	7.790	0.339	0.000	1.877	0.000	10.006	4K.7
<b>Service Charges</b>												
Canal & River Trust abstraction charges/ discharge consents	£m	3	0.036	0.018	0.020	0.000	0.000	0.000	0.000	0.000	0.074	4K.8
EA / NRW abstraction charges/ discharge consents	£m	3	0.654	0.320	0.360	2.500	0.038	0.000	0.022	0.003	3.897	4K.9
Other abstraction charges/ discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.10
<b>Location specific costs &amp; obligations</b>												
Costs associated with Traffic Management Act	£m	3	0.021	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.021	4K.11
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.12
Costs associated with Industrial emissions directive	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.13
<b>Total base operating expenditure</b>	<b>£m</b>	<b>3</b>	<b>26.923</b>	<b>9.397</b>	<b>10.055</b>	<b>69.306</b>	<b>2.363</b>	<b>9.099</b>	<b>14.415</b>	<b>6.223</b>	<b>147.781</b>	<b>4K.14</b>
<b>Capital expenditure</b>												
Maintaining the long term capability of the assets - infra	£m	3	23.041	2.138	0.000	0.000	0.000	0.000	0.000	0.000	25.179	4K.15
Maintaining the long term capability of the assets - non-infra	£m	3	17.718	1.465	0.000	38.493	0.020	0.980	33.033	0.130	91.839	4K.16
<b>Total base capital expenditure</b>	<b>£m</b>	<b>3</b>	<b>40.759</b>	<b>3.603</b>	<b>0.000</b>	<b>38.493</b>	<b>0.020</b>	<b>0.980</b>	<b>33.033</b>	<b>0.130</b>	<b>117.018</b>	<b>4K.17</b>
<b>Traffic Management Act</b>												
Projects incurring costs associated with Traffic Management Act	nr	0	299	0	0	0	0	0	0	0	299	4K.18
<b>Operating expenditure (AMP 7 shadow reported values)</b>												
Power	£m	3	4.172	2.043	2.299	24.535	1.527	0.047	1.504	0.020	36.147	4K.19
Income treated as negative expenditure	£m	3	-0.006	-0.003	-0.003	-0.045	0.000	-0.014	-4.084	-0.683	-4.838	4K.20

Section 4: Service level

Pro forma 4N

**Developer services expenditure for the 12 months ended 31 March 2024 - water ne**

Line description	Units	DPs	Water network+			RAG 4 reference
			Treated water distribution			
			Capex	Opex	Totex	
New connections	£m	3	0.000	1.833	1.833	4N.1
Requisition mains	£m	3	4.153	0.000	4.153	4N.2
Infrastructure network reinforcement	£m	3	0.838	0.000	0.838	4N.3
≤185 diversions	£m	3	0.000	0.115	0.115	4N.4
Other price controlled activities	£m	3	0.000	0.012	0.012	4N.5
<b>Total developer services expenditure</b>	<b>£m</b>	<b>3</b>	<b>4.990</b>	<b>1.960</b>	<b>6.950</b>	<b>4N.6</b>

## Section 4: Service level

Pro forma 4O

### Developer services expenditure for the 12 months ended 31 March 2024 - wastewater network+ and bio

Line description	Units	DPs	Wastewater network+					Total	RAG 4 reference
			Foul	Surface water drainage	Highway drainage	Sewage treatment and disposal	Sludge liquor treatment		
<b>Capex</b>									
New connections	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.1
Requisition sewers	£m	3	2.126	0.171	0.000	0.000	0.000	2.297	40.2
Infrastructure network reinforcement	£m	3	3.317	0.353	0.000	0.000	0.000	3.670	40.3
s185 diversions	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	40.4
Other price controlled activities	£m	3	0.451	0.014	0.000	0.000	0.000	0.465	40.5
<b>Total total developer services capex</b>	<b>£m</b>	<b>3</b>	<b>5.894</b>	<b>0.538</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.431</b>	<b>40.6</b>
<b>Opex</b>									
New connections	£m	3	0.079	0.000	0.000	0.000	0.000	0.079	40.7
Requisition sewers	£m	3	0.031	0.000	0.000	0.000	0.000	0.031	40.8
Infrastructure network reinforcement	£m	3	0.021	0.000	0.000	0.000	0.000	0.021	40.9
s185 diversions	£m	3	0.222	0.000	0.000	0.000	0.000	0.222	40.10
Other price controlled activities	£m	3	0.000	0.119	0.000	0.000	0.000	0.119	40.11
<b>Total developer services opex</b>	<b>£m</b>	<b>3</b>	<b>0.353</b>	<b>0.119</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.472</b>	<b>40.12</b>
<b>Totex</b>									
<b>Total developer services expenditure</b>	<b>£m</b>	<b>3</b>	<b>6.247</b>	<b>0.657</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>6.903</b>	<b>40.13</b>

## Pro forma 4P

### Expenditure on non-price control diversions for the 12 months ended

Line description	Units	DPs	Water resources	Water network+	Wastewater network+	Total	RAG 4 reference
<b>Capex</b>							
Capex associated with NSWRA diversions	£m	3	0.000	0.000	0.000	0.000	4P.1
Capex associated with other non-price control diversions	£m	3	0.000	0.000	0.000	0.000	4P.2
Other developer services non-price control capex	£m	3	0.000	0.000	0.000	0.000	4P.3
<b>Developer services non-price control capex</b>	<b>£m</b>	<b>3</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4P.4</b>
<b>Opex</b>							
Opex associated with NSWRA diversions	£m	3	0.000	0.031	0.000	0.031	4P.5
Opex associated with other non-price control diversions	£m	3	0.000	0.000	0.000	0.000	4P.6
Other developer services non-price control opex	£m	3	0.000	0.000	0.000	0.000	4P.7
<b>Developer services non-price control opex</b>	<b>£m</b>	<b>3</b>	<b>0.000</b>	<b>0.031</b>	<b>0.000</b>	<b>0.031</b>	<b>4P.8</b>
<b>Totex</b>							
Costs associated with NSWRA diversions	£m	3	0.000	0.031	0.000	0.031	4P.9
Costs associated with other non-price control diversions	£m	3	0.000	0.000	0.000	0.000	4P.10
Other developer services non-price control totex	£m	3	0.000	0.000	0.000	0.000	4P.11
<b>Developer services non-price control totex</b>	<b>£m</b>	<b>3</b>	<b>0.000</b>	<b>0.031</b>	<b>0.000</b>	<b>0.031</b>	<b>4P.12</b>

Section 4: Service level

Pro forma 4Q

Developer services - New connections, properties and mains

Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
<b>Connections volume data</b>						
New connections (residential – excluding NAVs)	nr	0	2889	7782	10671	4Q.1
New connections (business – excluding NAVs)	nr	0	189	250	439	4Q.2
Total new connections served by incumbent	nr	0	3078	8032	11110	4Q.3
New connections – SLPs	nr	0	1625			4Q.4
<b>Properties volume data</b>						
New properties (residential - excluding NAVs)	nr	0	3556	7782	11338	4Q.5
New properties (business - excluding NAVs)	nr	0	233	250	483	4Q.6
Total new properties served by incumbent	nr	0	3789	8032	11821	4Q.7
New residential properties served by NAVs	nr	0	670	1515	2185	4Q.8
New business properties served by NAVs	nr	0	1	12	13	4Q.9
Total new properties served by NAVs	nr	0	671	1527	2198	4Q.10
Total new properties	nr	0	4460	9559	14019	4Q.11
New properties – SLP connections	nr	0	1625			4Q.12
<b>New water mains data</b>						
Length of new mains (km) - requisitions	nr	0	13			4Q.13
Length of new mains (km) - SLPs	nr	0	11			4Q.14

Section 4: Service level

Pro forma 4R



Connected properties, customers and population

Line description	Units	Dps	Unmeasured	Measured	Total	Voids
<b>Customer numbers - average during the year</b>						
Residential water only customers	000s	3	17,564	24,374	41,938	0,685
Residential wastewater only customers	000s	3	213,751	457,437	671,188	11,769
Residential water and wastewater customers	000s	3	137,409	405,090	542,499	7,869
Total residential customers	000s	3	368,724	886,901	1,255,625	20,323
Business water only customers	000s	3	0,508	17,261	17,769	1,200
Business wastewater only customers	000s	3	1,894	29,279	31,173	2,396
Business water & wastewater customers	000s	3	2,458	23,855	26,313	2,181
Total business customers	000s	3	4,860	70,395	75,255	5,777
Total customers	000s	3	373,584	957,296	1,330,880	26,100

RAG 4  
reference

4R.1
4R.2
4R.3
4R.4
4R.5
4R.6
4R.7
4R.8
4R.9

Line description	Units	Dps	Water			Wastewater		
			Unmeasured	Measured	Total	Unmeasured	Measured	Total
<b>Property numbers - average during the year</b>								
Residential properties billed	000s	3	154,973	429,464	584,437	351,160	862,527	1,213,687
Residential void properties	000s	3			8,554			19,638
Total connected residential properties	000s	3			592,991			1,233,325
Business properties billed	000s	3	2,966	41,116	44,082	4,352	53,134	57,486
Business void properties	000s	3			3,381			4,577
Total connected business properties	000s	3			47,463			62,063
Total connected properties	000s	3			640,454			1,295,388

4R.10
4R.11
4R.12
4R.13
4R.14
4R.15
4R.16

Section 4: Service level

Line description	Units	Dps	Water																Total
			Unmeasured					Measured					Unbilled			Total			
			No meter	Basic meter	AMR meter	AMI meter (capable)	AMI meter (active)	Total	No meter	Basic meter	AMR meter	AMI meter (capable)	AMI meter (active)	Total	Uneconomic to bill		Other	Total	
<b>Property and meter numbers - at end of year (31 March)</b>																			
Total new residential properties connected in year	000s	3	0.034	0.000	0.000	0.000	0.000	0.034	0.000	3.430	0.104	0.000	0.000	3.534	0.000	0.000	0.000	3.568	4R.17
Total number of new business properties connections	000s	3	0.010	0.000	0.000	0.000	0.000	0.010	0.000	0.255	0.000	0.000	0.000	0.255	0.000	0.000	0.000	0.265	4R.18
Residential properties billed at year end	000s	3	148.490	3.051	0.735	0.000	0.000	152.276	0.000	424.182	9.719	0.000	0.000	433.901				586.177	4R.19
Residential properties unbilled at year end	000s	3													0.000	0.000	0.000	0.000	4R.20
Residential void properties at year end	000s	3						2.930						5.419				8.349	4R.21
Total connected residential properties at year end	000s	3						155.206						439.320				594.526	4R.22
Business properties billed at year end	000s	3	2.942	0.000	0.000	0.000	0.000	2.942	0.000	41.047	0.074	0.000	0.000	41.121				44.063	4R.23
Business properties unbilled at year end	000s	3													0.000	0.000	0.000	0.000	4R.24
Business void properties at year end	000s	3						0.518						2.873				3.391	4R.25
Total connected business properties at year end	000s	3						3.460						43.994				47.454	4R.26
Total connected properties at year end	000s	3						158.666						483.314				641.980	4R.27

Line description	Units	Dps	Water	Wastewater
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Population data					
Resident population	000s	3	1373.799	2903.301	4R.28
Non-resident population (wastewater)	000s	3		40.939	4R.29

Household population data	Units	Dps	Water			
			Resident population	Non-resident	Total	
Household population	000s	3	1327.509	6.748	1334.257	4R.30
Household measured population (water only)	000s	3	884.997	4.499	889.496	4R.31
Household unmeasured population (water only)	000s	3	442.512	2.249	444.761	4R.32

## Section 5: Water resources

Business properties billed at year end	000s	3	2.942	0.000	0.000	0.000	0.000	2.942	0.000	41.047	0.074	0.000	0.000	41.121				44.063	4R.23
Business properties unbilled at year end	000s	3													0.000	0.000	0.000	0.000	4R.24
Business void properties at year end	000s	3						0.518						2.873				3.391	4R.25
Total connected business properties at year end	000s	3						3.460						43.994				47.454	4R.26
Total connected properties at year end	000s	3						158.666						483.314				641.980	4R.27

Line description	Units	DPs	Water	Wastewater
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### Population data

Resident population	000s	3	1373.799	2903.301	4R.28
Non-resident population (wastewater)	000s	3		40.939	4R.29

Household population data	Units	DPs	Water			
			Resident population	Non-resident	Total	
Household population	000s	3	1327.509	6.748	1334.257	4R.30
Household measured population (water only)	000s	3	884.997	4.499	889.496	4R.31
Household unmeasured population (water only)	000s	3	442.512	2.249	444.761	4R.32

## Pro forma 4V

### Mark-to-market of financial derivatives analysed based on payment dates

Line description	Units	DPs	Derivatives - Analysed by earliest payment date				Derivatives - Analysed by expected maturity date				RAG 4 reference	
			Net settled	Gross Settled outflows	Gross Settled inflows	Total	Net settled	Gross Settled outflows	Gross Settled inflows	Total		
Due within one year	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.1
Between one and two years	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.2
Between two and three years	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.3
Between three and four years	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.4
Between four and five years	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.5
After five years	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.6
Total	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4V.7



## Pro forma 4W

## Defined Benefit Pension Scheme – Additional Information

Line description	Units	DPs	Defined benefit pension schemes			RAG 4 reference
			Pension scheme 1	Pension scheme 2	Pension scheme 3	
<b>Scheme details</b>						
Scheme name	Text	n/a	Wessex Water Pension Scheme			4W.1
Scheme status	Text	n/a	Closed to new members			4W.2
<b>Scheme valuation under IAS/IFRS/FRS</b>						
Scheme assets	£m	3	589.800			4W.3
Scheme liabilities	£m	3	583.100			4W.4
Scheme surplus / (deficit) Total	£m	3	6.700	0.000	0.000	4W.5
Scheme surplus / (deficit) Appointed business	£m	3	6.700			4W.6
Pension deficit recovery payments	£m	3	18.400			4W.7
<b>Scheme valuation under part 3 of Pensions Act 2004</b>						
Scheme funding valuation date	Date	n/a	30/09/2022			4W.8
Assets	£m	3	575.200			4W.9
Technical Provisions	£m	3	610.500			4W.10
Scheme surplus / (deficit)	£m	3	-35.300	0.000	0.000	4W.11

Section 5: Water resources

Discount rate assumptions	Text	n/a	Pre Retirement: Fixed-interest gilt yield curve plus 2.25% p.a, Post Retirement: Fixed-interest gilt yield curve plus 0.75% p.a.			4W.12
<b>Recovery plan (where applicable)</b>						
Recovery Plan Structure	Text	n/a	Recovery plan agreed on 30 March 2023. The company is due to pay deficit contributions of £18.4m by 1 July 2023 and up to £20.2m by 1 July 2024, with the amount falling due dependent upon the Scheme's funding position ahead of the payment date.			4W.13
Recovery plan end date	Date	n/a	01/07/2024			4W.14
Asset Backed Funding (ABF) arrangements	Text	n/a	Not Applicable			4W.15
Responsibility for ABF arrangements	Text	n/a	Not Applicable			4W.16

# Section 5: Water resources

Pro forma 5A

## Water resources asset and volumes data for the 12 months ended 31 March

Line description	Units	DPs	Input	RAG 4 reference
<b>Water resources</b>				
Water from impounding reservoirs	MI/d	2	81.88	5A.1
Water from pumped storage reservoirs	MI/d	2	0.00	5A.2
Water from river abstractions	MI/d	2	4.98	5A.3
Water from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	MI/d	2	247.01	5A.4
Water from artificial recharge (AR) water supply schemes	MI/d	2	0.00	5A.5
Water from aquifer storage and recovery (ASR) water supply schemes	MI/d	2	0.00	5A.6
Water from saline abstractions	MI/d	2	0.00	5A.7
Water from water reuse schemes	MI/d	2	0.00	5A.8
Number of impounding reservoirs	nr	0	11	5A.9
Number of pumped storage reservoirs	nr	0	0	5A.10
Number of river abstractions	nr	0	0	5A.11

## Section 5: Water resources

Number of groundwater works excluding managed aquifer recharge (MAR) water supply schemes	nr	0	156	5A.12
Number of artificial recharge (AR) water supply schemes	nr	0	0	5A.13
Number of aquifer storage and recovery (ASR) water supply schemes	nr	0	0	5A.14
Number of saline abstraction schemes	nr	0	0	5A.15
Number of reuse schemes	nr	0	0	5A.16
Total number of sources	nr	0	167	5A.17
Total number of water reservoirs	nr	0	11	5A.18
Total volumetric capacity of water reservoirs	MI	0	20248	5A.19
Total number of intake and source pumping stations	nr	0	83	5A.20
Total installed power capacity of intake and source pumping stations	kW	0	9753	5A.21
Total length of raw water abstraction mains and other conveyors	km	2	112.99	5A.22
Average pumping head – raw water abstraction	m.hd	2	32.00	5A.23
Energy consumption - water resources (MWh)	MWh	3	7,886.097	5A.24
Total number of raw water abstraction imports	nr	0	0	5A.25

Water imported from 3rd parties to raw water abstraction systems	MI/d	2	0.00	5A.26
Total number of raw water abstraction exports	nr	0	0	5A.27
Water exported to 3rd parties from raw water abstraction systems	MI/d	2	0.00	5A.28
Water resources capacity (measured using water resources yield)	MI/d	2	397.06	5A.29
Total number of completed investigations (WINEP/NEP), cumulative for AMP	nr	0	22.00	5A.30

Pro forma 5B

### Water resources operating cost analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Impounding Reservoir	Pumped Storage	River Abstractions	Groundwater, excluding MAR water supply schemes	Artificial Recharge (AR) water supply schemes	Aquifer Storage and Recovery (ASR) water supply schemes	Other	Total	RAG 4 reference
Power	£m	3	0.921	0.000	0.056	2.778	0.000	0.000	0.000	3.755	5B.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	-0.002	0.000	0.000	0.000	-0.002	5B.2
Abstraction charges/ discharge consents	£m	3	0.688	0.000	0.042	2.076	0.000	0.000	0.000	2.806	5B.3
Bulk supply	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.4
<b>Other operating expenditure</b>											
Renewals expensed in year (Infrastructure)	£m	3	0.087	0.000	0.005	0.262	0.000	0.000	0.000	0.354	5B.5
Renewals expensed in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5B.6
Other operating expenditure excluding renewals	£m	3	0.955	0.000	0.058	2.883	0.000	0.000	0.000	3.896	5B.7
Local authority and Cumulo rates	£m	3	0.152	0.000	0.009	0.460	0.000	0.000	0.000	0.621	5B.8
Total operating expenditure (excluding 3rd party)	£m	3	2.803	0.000	0.170	8.457	0.000	0.000	0.000	11.430	5B.9

# Section 6: Water network plus

## Narrative on costs

This year we have no water treatment works that have not been used during the whole report year.

## Supply-demand balance and metering

Please see Section 4 - Supply-demand balance and metering.

## Section 6: Water network plus

### Pro forma 6A

#### Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 20

Line description	Units	DPs	Input	RAG 4 reference	
<b>Raw water transport and storage</b>					
Total number of balancing reservoirs	nr	0	0	6A.1	
Total volumetric capacity of balancing reservoirs	MI	0	0	6A.2	
Total number of raw water transport stations	nr	0	2	6A.3	
Total installed power capacity of raw water transport pumping stations	kW	0	55	6A.4	
Total length of raw water transport mains and other conveyors	km	2	121.23	6A.5	
Average pumping head ~ raw water transport	m.hd	2	102.88	6A.6	
Energy consumption – raw water transport (MWh)	MWh	3	139.242	6A.7	
Total number of raw water transport imports	nr	0	0	6A.8	
Water imported from 3rd parties to raw water transport systems	MI/d	2	0.00	6A.9	
Total number of raw water transport exports	nr	0	1	6A.10	
Water exported to 3rd parties from raw water transport systems	MI/d	2	0.02	6A.11	
Total length of raw and pre-treated (non-potable) water transport mains for supplying customers	km	2	6.50	6A.12	
<b>Water treatment - treatment type analysis</b>					
	Surface water		Ground water		
	Water treated	Number of works	Water treated	Number of works	
Units	MI/d	nr	MI/d	nr	
DPs	2	0	2	0	
All simple disinfection works	0.00	0	84.82	25	6A.13
W1 works	0.00	0	35.06	10	6A.14
W2 works	0.00	0	36.43	5	6A.15
W3 works	0.00	0	0.00	0	6A.16
W4 works	69.71	3	84.37	16	6A.17
W5 works	17.15	2	6.32	3	6A.18
W6 works	0.00	0	0.00	0	6A.19
<b>Water treatment - works size</b>					
	% of total DI	Number of works			
Units	DI	nr			
DPs	1	0			
WTWs in size band 1	4.4	18			6A.20
WTWs in size band 2	2.9	5			6A.21
WTWs in size band 3	12.1	14			6A.22
WTWs in size band 4	32.0	17			6A.23
WTWs in size band 5	32.9	9			6A.24
WTWs in size band 6	0.0	0			6A.25
WTWs in size band 7	15.7	1			6A.26
WTWs in size band 8	0.0	0			6A.27
<b>Water treatment - other information</b>					
	Units	DPs	Input		
Peak week production capacity (PWPC)	MI/d	2	574.44		6A.28
Total peak week production capacity (PWPC) having enhancement expenditure for grey solution improvements to address raw water quality deterioration	MI/d	2	0.00		6A.29
Total peak week production capacity (PWPC) having enhancement expenditure for green solutions improvements to address raw water quality deterioration	MI/d	2	152.70		6A.30
Total water treated at more than one type of works	MI/d	2	0.00		6A.31
Number of treatment works requiring remedial action because of raw water deterioration	nr	0	21		6A.32
Zonal population receiving water treated with orthophosphate	000's	3	688.140		6A.33
Average pumping head – water treatment	m.hd	2	8.39		6A.34
Energy consumption - water treatment (MWh)	MWh	3	60031.502		6A.35
Total number of water treatment imports	nr	0	0		6A.36
Water imported from 3rd parties to water treatment works	MI/d	2	0.00		6A.37
Total number of water treatment exports	nr	0	0		6A.38
Water exported to 3rd parties from water treatment works	MI/d	2	0.00		6A.39

Section 6: Water network plus

Pro forma 6B

Treated water distribution - assets and operations for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
<b>Assets and operations</b>				
Total installed power capacity of potable water pumping stations	kW	0	28736	6B.1
Total volumetric capacity of service reservoirs	MI	1	628.7	6B.2
Total volumetric capacity of water towers	MI	1	9.0	6B.3
Water delivered (non-potable)	MI/d	2	0.00	6B.4
Water delivered (potable)	MI/d	2	273.17	6B.5
Water delivered (billed measured residential properties)	MI/d	2	115.75	6B.6
Water delivered (billed measured businesses)	MI/d	2	76.77	6B.7
Proportion of distribution input derived from impounding reservoirs	Propn 0 to 1	3	0.245	6B.8
Proportion of distribution input derived from pumped storage reservoirs	Propn 0 to 1	3	0.000	6B.9
Proportion of distribution input derived from river abstractions	Propn 0 to 1	3	0.015	6B.10
Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Propn 0 to 1	3	0.740	6B.11
Proportion of distribution input derived from artificial recharge (AR) water supply schemes	Propn 0 to 1	3	0.000	o
Proportion of distribution input derived from aquifer storage and recovery (ASR) water supply schemes	Propn 0 to 1	3	0.000	6B.13
Proportion of distribution input derived from saline abstractions	Propn 0 to 1	3	0.000	6B.14
Proportion of distribution input derived from water reuse schemes	Propn 0 to 1	3	0.000	6B.15
Total number of potable water pumping stations that pump into and within the treated water distribution system	nr	0	294	6B.16
Number of potable water pumping stations delivering treated groundwater into the treated water distribution system	nr	0	54	6B.17
Number of potable water pumping stations delivering surface water into the treated water distribution system	nr	0	5	6B.18
Number of potable water pumping stations that re-pump water already within the treated water distribution system	nr	0	233	6B.19
Number of potable water pumping stations that pump water imported from a 3rd party supply into the treated water distribution system	nr	0	2	6B.20
Total number of service reservoirs	nr	0	299	6B.21
Number of water towers	nr	0	11	6B.22
Energy consumption – treated water distribution (MWh)	MWh	3	20986.978	6B.23
Average pumping head – treated water distribution	m.hd	2	102.88	6B.24
Total number of treated water distribution imports	nr	0	13	6B.25
Water imported from 3rd parties to treated water distribution systems	MI/d	2	7.21	6B.26
Total number of treated water distribution exports	nr	0	36	6B.27
Water exported to 3rd parties from treated water distribution systems	MI/d	2	1.03	6B.28
Peak 7 day rolling average distribution input	MI/d	2	394.28	6B.29
Peak 7 day rolling average distribution input / annual average distribution input	%	2	116.98%	6B.30

Section 6: Water network plus

Water balance - company level				
Measured household consumption (excluding supply pipe leakage)	MI/d	2	111.36	6B.31
Unmeasured household consumption (excluding supply pipe leakage)	MI/d	2	65.92	6B.32
Measured non-household consumption (excluding supply pipe leakage)	MI/d	2	76.44	6B.33
Unmeasured non-household consumption (excluding supply pipe leakage)	MI/d	2	2.94	6B.34
Total annual leakage	MI/d	2	69.77	6B.35
Distribution system operational use	MI/d	2	2.44	6B.36
Water taken unbilled	MI/d	2	5.00	6B.37
Distribution input	MI/d	2	333.87	6B.38
Distribution input (pre-MLE)	MI/d	2	337.06	6B.39

Water balance - region 1				
Measured household consumption (excluding supply pipe leakage)	MI/d	2		6B.40
Unmeasured household consumption (excluding supply pipe leakage)	MI/d	2		6B.41
Measured non-household consumption (excluding supply pipe leakage)	MI/d	2		6B.42
Unmeasured non-household consumption (excluding supply pipe leakage)	MI/d	2		6B.43
Total annual leakage	MI/d	2		6B.44
Distribution system operational use	MI/d	2		6B.45
Water taken unbilled	MI/d	2		6B.46
Distribution input	MI/d	2		6B.47
Distribution input (pre-MLE)	MI/d	2		6B.48

Water balance - region 2				
Measured household consumption (excluding supply pipe leakage)	MI/d	2		6B.49
Unmeasured household consumption (excluding supply pipe leakage)	MI/d	2		6B.50
Measured non-household consumption (excluding supply pipe leakage)	MI/d	2		6B.51
Unmeasured non-household consumption (excluding supply pipe leakage)	MI/d	2		6B.52

Total annual leakage	MI/d	2		6B.53
Distribution system operational use	MI/d	2		6B.54
Water taken unbilled	MI/d	2		6B.55
Distribution input	MI/d	2		6B.56
Distribution input (pre-MLE)	MI/d	2		6B.57

Components of total leakage (post MLE) - company level				
Leakage upstream of DMA	MI/day	2	8.10	6B.58
87 Distribution main losses	MI/day	2	50.17	6B.59
Customer supply pipe losses – measured households excluding void properties	MI/day	2	4.39	6B.60
Customer supply pipe losses – unmeasured households excluding void properties	MI/day	2	6.18	6B.61
Customer supply pipe losses – measured non-households excluding void properties	MI/day	2	0.33	6B.62
Customer supply pipe losses – unmeasured non-households excluding void properties	MI/day	2	0.12	6B.63
Customer supply pipe losses – void measured households	MI/day	2	0.22	6B.64
Customer supply pipe losses – void unmeasured households	MI/day	2	0.12	6B.65
Customer supply pipe losses – void measured non-households	MI/day	2	0.11	6B.66
Customer supply pipe losses – void unmeasured non-households	MI/day	2	0.02	6B.67

Components of total leakage (post MLE) - region 1				
Leakage upstream of DMA	MI/day	2		6B.68
Distribution main losses	MI/day	2		6B.69
Customer supply pipe losses – measured households excluding void properties	MI/day	2		6B.70
Customer supply pipe losses – unmeasured households excluding void properties	MI/day	2		6B.71
Customer supply pipe losses – measured non-households excluding void properties	MI/day	2		6B.72
Customer supply pipe losses – unmeasured non-households excluding void properties	MI/day	2		6B.73
Customer supply pipe losses – void measured households	MI/day	2		6B.74
Customer supply pipe losses – void unmeasured households	MI/day	2		6B.75

Customer supply pipe losses – void measured non-households	MI/day	2		6B.76
Customer supply pipe losses – void unmeasured non-households	MI/day	2		6B.77

Components of total leakage (post MLE) - region 2				
Leakage upstream of DMA	MI/day	2		6B.78
Distribution main losses	MI/day	2		6B.79
Customer supply pipe losses – measured households excluding void properties	MI/day	2		6B.80
Customer supply pipe losses – unmeasured households excluding void properties	MI/day	2		6B.81
Customer supply pipe losses – measured non-households excluding void properties	MI/day	2		6B.82
Customer supply pipe losses – unmeasured non-households excluding void properties	MI/day	2		6B.83
Customer supply pipe losses – void measured households	MI/day	2		6B.84
Customer supply pipe losses – void unmeasured households	MI/day	2		6B.85
Customer supply pipe losses – void measured non-households	MI/day	2		6B.86
Customer supply pipe losses – void unmeasured non-households	MI/day	2		6B.87



## Pro forma 6C

## Water network+ - Mains, communication pipes and other data for the 12 months ended 31 March 2024

Line description	Units	DPs	Input	RAG 4 reference
<b>Treated water distribution - mains analysis</b>				
Total length of potable mains as at 31 March	km	1	12148.9	6C.1
Total length of potable mains relined	km	1	0.0	6C.2
Total length of potable mains renewed	km	1	19.6	6C.3
Total length of new potable mains	km	1	31.9	6C.4
Total length of potable water mains (≤320mm)	km	1	11177.2	6C.5
Total length of potable water mains (>320mm and ≤ 450mm)	km	1	571.5	6C.6
Total length of potable water mains (>450mm and ≤610mm)	km	1	316.3	6C.7
Total length of potable water mains (> 610mm)	km	1	83.9	6C.8
<b>Treated water distribution - mains age profile</b>				
Total length of potable mains laid or structurally refurbished pre-1880	km	1	72.8	6C.9
Total length of potable mains laid or structurally refurbished between 1881 and 1900	km	1	323.8	6C.10
Total length of potable mains laid or structurally refurbished between 1901 and 1920	km	1	400.6	6C.11
Total length of potable mains laid or structurally refurbished between 1921 and 1940	km	1	1496.4	6C.12
Total length of potable mains laid or structurally refurbished between 1941 and 1960	km	1	2193.7	6C.13
Total length of potable mains laid or structurally refurbished between 1961 and 1980	km	1	2677.2	6C.14
Total length of potable mains laid or structurally refurbished between 1981 and 2000	km	1	2783.9	6C.15
Total length of potable mains laid or structurally refurbished between 2001 and 2020	km	1	1995.7	6C.16
Total length of potable mains laid or structurally refurbished post during and after 2021	km	1	204.8	6C.17
<b>Communication pipes</b>				
Number of lead communication pipes	nr	0	108143	6C.18
Number of galvanised iron communication pipes	nr	0	69867	6C.19
Number of other communication pipes	nr	0	434073	6C.20
Number of lead communication pipes replaced or relined for water quality	nr	0	1787	6C.21
<b>Other</b>				
Company area	km <sup>2</sup>	0	7317	6C.22
Compliance Risk Index	nr	2	0.93	6C.23
Event Risk Index	nr	0	24	6C.24
Properties below reference level at end of year	nr	0	86	6C.25

## Section 6: Water network plus

Pro forma 6D

Demand management - Metering and leakage activities for the 12 months ended 31 March 2024						
Line description	Units	DPs	Basic meter	AMR meter	AMI meter	RAG 4 reference
<b>Metering activities - Totex expenditure</b>						
New optant meter installation for existing customers	£m	3	1,499	0.150	0.000	6D.1
New selective meter installation for existing customers	£m	3	0.839	0.004	0.000	6D.2
New business meter installation for existing customers	£m	3	0.014	0.004	0.000	6D.3
Residential meters renewed	£m	3	1.302	0.017	0.000	6D.4
Business meters renewed	£m	3	0.030	0.002	0.000	6D.5
<b>Metering activities - Explanatory variables</b>						
New optant meters installed for existing customers	000s	3	4,150	0.362	0.000	6D.6
New selective meters installed for existing customers	000s	3	2,323	0.010	0.000	6D.7
New business meters installed for existing customers	000s	3	0.038	0.008	0.000	6D.8
Residential meters renewed	000s	3	15,717	0.125	0.000	6D.9
Business meters renewed	000s	3	0.039	0.003	0.000	6D.10
Replacement of basic meters with smart meters for residential customers	000s	3		0.000	0.000	6D.11
Replacement of AMR meter with AMI meters for residential customers	000s	3			0.000	6D.12
Replacement of basic meters with smart meters for business customers	000s	3		0.000	0.000	6D.13
Replacement of AMR meter with AMI meters for business customers	000s	3			0.000	6D.14
New residential meters installed for existing customers – supply-demand balance benefit	MI/d	2	0.17	0.01	0.00	6D.15
New business meters installed for existing customers – supply-demand balance benefit	MI/d	2	0.00	0.00	0.00	6D.16
Replacement of basic meter with smart meters for residential customers – supply-demand balance benefit	MI/d	2		0.000	0.00	6D.17
Replacement of AMR meter with AMI meter for residential customers – supply-demand balance benefit	MI/d	2			0.00	6D.18
Replacement of basic meter with smart meters for business customers – supply-demand balance benefit	MI/d	2		0.000	0.00	6D.19
Replacement of AMR meter with AMI meter for business customers – supply-demand balance benefit	MI/d	2			0.00	6D.20
Residential properties - meter penetration	%	1	71.8	1.6	0.0	6D.21
<b>Leakage activities</b>						
Total leakage activity	£m	3	39,469	3,798	43,267	6D.22
Leakage improvements delivering benefits in 2020-25	MI/d	2			1.42	6D.23
<b>Per capita consumption (excluding supply pipe leakage)</b>						
Per capita consumption (measured)	l/h/d	2	125.20			6D.24
Per capita consumption (unmeasured)	l/h/d	2	148.22			6D.25

# Section 7: Wastewater network plus

## Narrative on costs

We agree that the term 'structurally refurbished' refers to any repair which improves the structural integrity of the pipe such that its expected service life is extended. We have reported our repair length in Line 7C.15 to that definition. The actual length of repair for proactive rising main repairs is known and reported. The actual length of repair is known for most reactive rising main repairs. However, a 1m repair length is assumed where the actual length of repair is not known.

All our water recycling centres reported against lines 7D.17 – 20 (population equivalent at WRCs with new/tightened consents) have been delivered primarily by capex solutions. No population equivalent has been assigned to the opex associated with Catchment Nutrient Balancing.

Section 7: Wastewater network plus

Pro forma 7A

Wastewater network+ - Functional expenditure for the 12 months ended 31 March

Line description	Units	DPs	£'000	RAG 4 reference
<b>Costs of STWs in size bands 1 to 5</b>				
Direct costs of STWs in size band 1	000s	3	2,393.323	7A.1
Direct costs of STWs in size band 2	000s	3	1,956.210	7A.2
Direct costs of STWs in size band 3	000s	3	8,067.179	7A.3
Direct costs of STWs in size band 4	000s	3	11,974.161	7A.4
Direct costs of STWs in size band 5	000s	3	17,281.248	7A.5
General & support costs of STWs in size bands 1 to 5	000s	3	1,280.404	7A.6
Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services)	000s	3	42,952.525	7A.7
<b>Costs of large STWs (size band 6)</b>				
Service charges for STWs in size band 6	000s	3	587.371	7A.8
Estimated terminal pumping costs size band 6 works	000s	3	586.490	7A.9
Other direct costs of STWs in size band 6	000s	3	43,722.880	7A.10
Direct costs of STWs in size band 6	000s	3	44,896.741	7A.11
General & support costs of STWs in size band 6	000s	3	1,379.483	7A.12
Functional expenditure of STWs in size band 6 (excluding 3rd party services)	000s	3	46,276.224	7A.13
<b>Costs of STWs - all sizes</b>				
Total operating functional expenditure (excluding 3rd party services)	000s	3	89,228.749	7A.14

## Section 7: Wastewater network plus

### Pro forma 7C

#### Wastewater network+ - Sewer and volume data for the 12 months ended 31 March

Line description	Units	DPs	Input	RAG 4 reference
<b>Wastewater network (as at 31 March)</b>				
Connectable properties served by s101A schemes completed in the report year	nr	0	61	7C.1
Number of s101A schemes delivered in the report year	nr	0	3	7C.2
Total pumping station capacity	kW	0	48,702	7C.3
Number of network pumping stations	nr	0	2,172	7C.4
Total number of sewer blockages	nr	0	12,619	7C.5
Total number of gravity sewer collapses	nr	0	110	7C.6
Total number of sewer rising main bursts	nr	0	85	7C.7
Number of combined sewer overflows	nr	0	1,098	7C.8
Number of emergency overflows - sewage pumping stations	nr	0	184	7C.9
Number of settled storm overflows	nr	0	197	7C.10
Sewer age profile (constructed post 2001)	km	0	4,399	7C.11
Volume of trade effluent	MI/yr	2	6,696.21	7C.12
Volume of wastewater receiving treatment at sewage treatment works	MI/yr	2	411,477.13	7C.13
Length of gravity sewers rehabilitated	km	0	38	7C.14
Length of rising mains replaced or structurally refurbished	km	0	5	7C.15
Length of foul (only) public sewers	km	0	9,261	7C.16
Length of surface water (only) public sewers	km	0	4,493	7C.17
Length of combined public sewers	km	0	3,128	7C.18
Length of rising mains	km	0	1,264	7C.19
Length of other wastewater network pipework	km	0	0	7C.20
Total length of "legacy" public sewers as at 31 March	km	0	18,146	7C.21
Length of formerly private sewers and lateral drains (s105A sewers)	km	0	16,992	7C.22
<b>Storm overflows - additional reporting (as at 1 January)</b>				
Number of combined sewer overflows (as at 1 January)	nr	0	1,098	7C.23
Number of settled storm overflows (as at 1 January)	nr	0	197	7C.24
Number of storm overflows - other (as at 1 January)	nr	0	0	7C.25
Number of storm overflows - pending investigation (as at 1 January)	nr	0	9	7C.26
Number of permitted storm overflows closed in the previous reporting year (as at 1 January)	nr	0	0	7C.27
Number of storm overflows - consistent with PR24 performance commitment definition	nr	0	1,304	7C.28
Number of storm overflows closed in the previous reporting year - (as at 1 January)	nr	0	0	7C.29

## Section 7: Wastewater network plus

Number of storm overflows with event duration monitors installed (as at 1 January)	nr	0	1,295	7C.30
Proportion of the time that event duration monitors on storm overflows were operational (from 1 January to 31 December)	%	2	98.41%	7C.31
Number of spills from storm overflows (from 1 January to 31 December)	nr	0	41,453	7C.32

Emergency overflows - additional reporting (as at 1 January)				
Number of emergency overflows - sewage pumping stations (as at 1 January)	nr	0	184	7C.33
Number of emergency overflows - network (as at 1 January)	nr	0	0	7C.34
Number of emergency overflows - other (as at 1 January)	nr	0	0	7C.35
Number of emergency overflows - all (as at 1 January)	nr	0	184	7C.36
Number of emergency overflows with event duration monitors installed (as at 1 January)	nr	0	184	7C.37
Number of emergency overflows with an MCERTS certified event duration monitors installed (as at 1 January)	nr	0	0	7C.38

Proportion of the time that event duration monitors on emergency overflows were operational (from 1 January to 31 December)	%	2	95.00%	7C.39
Number of spills from emergency overflows (from 1 January to 31 December)	nr	0	2,131	7C.40

# Section 7: Wastewater network plus

Pro forma 7D

Wastewater network+ - Sewage treatment works data for the 12 months ended 31 March 2024																													
Line description	Units	DPs	Treatment categories								Treatment works consents										RAG 4 reference								
			Primary	Secondary			Tertiary				Phosphorus					BOD <sub>5</sub>						Ammonia							
				Activated Sludge	Biological	A1	A2	B1	B2	Total	<=0.5mg/l	>0.5 to <=1mg/l	>1mg/l	No permit	Total	<=7mg/l	>7 to <=10mg/l	>10 to <=20mg/l	>20mg/l	No permit		Total	<=1mg/l	>1 to <=3mg/l	>3 to <=10mg/l	>10mg/l	No permit	Total	
<b>Load received at sewage treatment works</b>																													
Load received by STWs in size band 1	kg BOD <sub>5</sub> /day	0	10	88	343	44	19	77	13	594	0	0	0	594	594	0	0	119	114	361	594	0	0	60	140	393	593	7D.1	
Load received by STWs in size band 2	kg BOD <sub>5</sub> /day	0	0	16	398	42	0	137	72	665	0	0	72	593	665	0	0	242	407	16	665	0	0	325	305	35	665	7D.2	
Load received by STWs in size band 3	kg BOD <sub>5</sub> /day	0	0	308	2,745	161	81	1,491	2,047	6,833	89	823	692	5,229	6,833	0	182	3,752	2,899	0	6,833	0	265	3,416	3,048	104	6,833	7D.3	
Load received by STWs in size band 4	kg BOD <sub>5</sub> /day	0	0	1,977	4,357	179	1,202	3,049	7,342	18,106	657	4,172	1,368	11,908	18,105	0	502	7,508	10,095	0	18,105	0	140	10,554	6,803	610	18,107	7D.4	
Load received by STWs in size band 5	kg BOD <sub>5</sub> /day	0	0	647	2,109	2,448	8,080	0	18,085	31,369	3,746	7,870	11,440	8,313	31,369	0	1,422	17,761	12,185	0	31,368	0	3,554	14,236	10,602	2,977	31,369	7D.5	
Load received by STWs above size band 5	kg BOD <sub>5</sub> /day	0	0	58,530	0	0	59,711	0	30,136	148,377	5,804	18,298	15,032	109,243	148,377	0	0	52,712	95,665	0	148,377	0	10,882	55,124	10,843	71,528	148,377	7D.6	
Total load received	kg BOD <sub>5</sub> /day	0	10	61,966	9,952	2,874	69,093	4,754	57,695	205,944	10,296	31,163	28,604	135,880	205,943	0	2,106	82,094	121,365	377	205,942	0	14,841	83,715	31,741	75,647	205,944	7D.7	
Load received from trade effluent customers at treatment works	kg BOD <sub>5</sub> /day	0							9,219																			7D.8	
<b>Number of sewage treatment works</b>																													
STWs in size band 1	nr	0	19	26	92	3	2	10	1	153	0	0	0	153	153	0	0	15	27	111	153	0	0	7	20	126	153	7D.9	
STWs in size band 2	nr	0	0	1	19	2	0	6	3	31	0	0	3	28	31	0	0	12	18	1	31	0	0	15	14	2	31	7D.10	
STWs in size band 3	nr	0	0	5	39	2	1	20	28	95	1	11	10	73	95	0	2	52	41	0	95	0	3	47	43	2	95	7D.11	
STWs in size band 4	nr	0	0	8	18	1	3	8	24	62	2	13	5	42	62	0	3	24	35	0	62	0	1	35	23	3	62	7D.12	
STWs in size band 5	nr	0	0	1	2	2	8	0	18	31	4	9	10	8	31	0	1	18	12	0	31	0	3	16	9	3	31	7D.13	
STWs above size band 5	nr	0	0	4	0	0	13	0	9	26	2	5	5	14	26	0	0	13	13	0	26	0	4	12	3	7	26	7D.14	
Total number of works	nr	0	19	45	170	10	27	44	83	398	9	38	33	318	398	0	6	134	146	112	398	0	11	132	112	143	398	7D.15	
<b>Population equivalent</b>																													
Current population equivalent served by STWs	000s	3	3,587,086																										7D.16
Current population equivalent served by STWs with tightened/new P consents	000s	3	10,133																										7D.17
Current population equivalent served by STWs with tightened/new N consents	000s	3	0.000																										7D.18
Current population equivalent served by STWs with tightened/new sanitary parameter consents	000s	3	0.000																										7D.19
Current population equivalent served by STWs with tightened/new microbiological treatment consents (for example UV, ozone etc)	000s	3	0.000																										7D.20
Population equivalent treatment capacity enhancement	000s	3	2,521																										7D.21
Current population equivalent served by STWs with tightened/new consents for chemicals or other hazardous substances	000s	3	0.000																										7D.22

Section 7: Wastewater network plus

Pro forma 7E

**Wastewater network+ - Other data including energy consumption and scheme delivery for the 1**

Line description	Units	DPs	Input	RAG 4 reference
<b>Other</b>				
Total sewerage catchment area	km <sup>2</sup>	0	2,142	7E.1
Designated bathing waters (inland and coastal)	nr	0	48	7E.2
Number of intermittent discharge event duration monitoring	nr	0	43	7E.3
Number of monitors for flow monitoring at STWs	nr	0	20	7E.4
Number of odour related complaints	nr	0	933	7E.5
<b>Energy consumption</b>				
Energy consumption - sewage collection	MWh	3	51,695.134	7E.6
Energy consumption - sewage treatment	MWh	3	170,453.625	7E.7
Energy consumption - wastewater network +	MWh	3	222,148.759	7E.8
<b>Scheme delivery</b>				
Cumulative shortfall in FFT addressed by WINEP / NEP schemes to increase STW capacity	l/s	3	12.090	7E.9
Number of sites with an increase in sewage treatment works capacity delivered to address a shortfall in FFT	nr	0	3.000	7E.10
Additional storm tank capacity provided at sewage treatment works (grey infrastructure)	m3	3	847.670	7E.11
Additional effective storm storage capacity at sewage treatment works (green infrastructure)	m3	3	0.000	7E.12
Additional volume of network storage at CSOs etc to reduce spill frequency (grey infrastructure)	m3	3	150.000	7E.13
Additional effective storage in the network delivered through green infrastructure	m3	3	0.000	7E.14
Total number of sewage treatment works sites where additional storage has been delivered (grey infrastructure)	nr	0	4.000	7E.15
Number of sewage treatment works sites where additional storage has been delivered with pumping (grey infrastructure)	nr	0	3.000	7E.16
Number of sewage treatment works benefitting from green infrastructure replacing the need for storm tank storage	nr	0	0.000	7E.17
Number of sites delivering additional network storage (grey infrastructure)	nr	0	1.000	7E.18
Number of sites delivering additional network storage including pumping (grey infrastructure)	nr	0	1.000	7E.19
Number of sites delivering additional network storage through green infrastructure	nr	0	0.000	7E.20
Surface water separation drainage area removed	m2	0	0.000	7E.21
Number of schemes delivered to meet tightened or new sanitary consents	nr	0	0.000	7E.22
Number of installations requiring civils for flow monitoring at sewage treatment works	nr	0	10.000	7E.23
Number of installations requiring civils for event duration monitoring at intermittent discharges	nr	0	43.000	7E.24
Number of storm overflows where improvements have been made to reduce harm or reduce spill frequencies	nr	0	1	7E.25



# Section 8: Bioresources

## Narrative on costs

We use actual road distances for lines 8A.10, 8A.11 and 8A.13. We have used GIS (Geographic Information System) data to calculate actual road km journey distances between sites for interstiting work, and between sites and stockpiles for disposal work. Prior to 2021-22, we had used “as the crow flies” distance to estimate road distance for disposal work.

We have reported zeros against lines 8A.14 and 8A.15 because we did not dispose sludge by pipeline or tanker.

Our commentary for 8A.1 and 8A.2 explains how the quantities for incumbent and third-party treatment of sludge are identified separately and with no double-counting.

In 2023-24, we did not have any instances where both the incumbent and a 3rd party service provider undertake different stage of sludge treatment.

All sludge exported to 3rd party service provider was treated and disposed by them. The amount treated by 3rd party is reported in line 8A.2, and the amount disposed by 3rd party is reported in line 8A.7.

The volume of sludge arising from the treatment of liquid waste cannot be directly measured – it can only be calculated from measurement of volume and load discharged into the head of the water recycling centre.

We routinely measure settled chemical oxygen demand (COD) and total suspended solids and have comprehensive data for these parameters. To estimate sludge production requires further data on biochemical oxygen demand (BOD) and settleable solids for which we have limited data only.

To derive secondary sludge production, we use a conversion factor (kg sludge produced from kg BOD) for the relevant process at each water recycling centre where liquid waste is treated. The procedure for this calculation is as follows, which is the same method used in our forecast for previous years:

1. STCs receiving non-appointed liquid waste are identified
2. Liquid waste flow and load data is collected; provided by Wessex Water Enterprises
3. COD, SS and BOD loads estimated for each site using sample data and COD: SS and COD:BOD ratios
4. Equivalent sludge mass calculated for each water recycling centre and treatment process stage, using standard conversion factors for converting the organic load to produced sludge solids.

Section 8: Bioresources

Pro forma 8A

Bioresources sludge data for the 12 months ended 31 March 2024

Line description	Units	DPs	Total	RAG 4 reference
Total sewage sludge produced, treated by incumbents	ttds/ year	1	66.6	8A.1
Total sewage sludge produced, treated by 3 <sup>rd</sup> party sludge service provider	ttds/ year	1	1.4	8A.2
Total sewage sludge produced	ttds/ year	1	68.0	8A.3
Total sewage sludge produced from non-appointed liquid waste treatment	ttds/ year	1	5.0	8A.4
Percentage of sludge produced and treated at a site of STW and STC co-location	%	2	31.49	8A.5
Total sewage sludge disposed by incumbents	ttds/ year	1	50.6	8A.6
Total sewage sludge disposed by 3 <sup>rd</sup> party sludge service provider	ttds/ year	1	0.7	8A.7
Total sewage sludge disposed	ttds/ year	1	51.3	8A.8
Total measure of intersiting 'work' done by pipeline	ttds*km/year	0	15	8A.9
Total measure of intersiting 'work' done by tanker	ttds*km/year	0	949	8A.10
Total measure of intersiting 'work' done by truck	ttds*km/year	0	405	8A.11
Total measure of intersiting 'work' done (all forms of transportation)	ttds*km/year	0	1,369	8A.12

## Section 8: Bioresources

Total measure of intersiting 'work' done by tanker (by volume transported)	m <sup>3</sup> *km/yr	0	21,512,314	8A.13
Total measure of 'work' done in sludge disposal operations by pipeline	ttds*km/year	0	0	8A.14
Total measure of 'work' done in sludge disposal operations by tanker	ttds*km/year	0	0	8A.15
Total measure of 'work' done in sludge disposal operations by truck	ttds*km/year	0	2,309	8A.16
Total measure of 'work' done in sludge disposal operations (all forms of transportation)	ttds*km/year	0	2,309	8A.17
Total measure of 'work' done by tanker in sludge disposal operations (by volume transported)	m <sup>3</sup> *km/yr	0	8,607,605	8A.18
Chemical P sludge as % of sludge produced at STWs	%	2	41.11	8A.19

Pro forma 8B

Bioresources operating expenditure analysis for the 12 months ended 31 March 2024												
Line description	Units	DPs	Pipeline	Tanker	Truck	Total					RAG 4 reference	
<b>Sludge transport method</b>												
Power	£m	3	0.010	0.035	0.001	0.046						8B.1
Income treated as negative expenditure	£m	3	-0.003	-0.011	0.000	-0.014						8B.2
Discharge consents	£m	3	0.000	0.000	0.000	0.000						8B.3
Bulk discharge	£m	3	0.000	0.000	0.000	0.000						8B.4
<b>Other operating expenditure</b>												
Renewals expended in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000						8B.5
Renewals expended in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000						8B.6
Other operating expenditure excluding renewals	£m	3	1.988	6.816	0.262	9.066						8B.7
Total functional expenditure	£m	3	1.995	6.840	0.263	9.098						8B.8
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	0.000						8B.9
Total operating expenditure (excluding 3rd party)	£m	3	1.995	6.840	0.263	9.098						8B.10
Line description	Units	DPs	Untreated Sludge	Raw Sludge liming	Conventional AD	Incineration of raw sludge	Photo-conditioning/composting	Advanced Anaerobic Digestion	Other	Total		
<b>Sludge treatment type</b>												
Power	£m	3	0.000	0.460	0.373	0.000	0.000	0.903	0.000	1.736		8B.11
Income treated as negative expenditure	£m	3	0.000	-1.082	-0.878	0.000	0.000	-2.124	0.000	-4.084		8B.12
Discharge consents	£m	3	0.000	0.006	0.005	0.000	0.000	0.011	0.000	0.022		8B.13
Bulk discharge	£m	3	0.000	0.003	0.003	0.000	0.000	0.007	0.000	0.013		8B.14
<b>Other operating expenditure</b>												
Renewals expended in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.15
Renewals expended in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.16
Other operating expenditure excluding renewals	£m	3	0.000	4.092	3.319	0.000	0.000	0.000	8.029	0.000	15.440	8B.17
Total functional expenditure	£m	3	0.000	3.479	2.822	0.000	0.000	0.000	6.826	0.000	13.127	8B.18
Local authority and Cumulo rates	£m	3	0.000	0.497	0.404	0.000	0.000	0.000	0.976	0.000	1.877	8B.19
Total operating expenditure (excluding 3rd party)	£m	3	0.000	3.976	3.226	0.000	0.000	0.000	7.802	0.000	15.004	8B.20
Line description	Units	DPs	Landfill, raw	Landfill, partly treated	Land restoration/reclamation	Sludge recycled to farmland	Incineration of digested Sludge	Other	Total			
<b>Sludge disposal route</b>												
Power	£m	3	0.000	0.000	0.000	0.020	0.000	0.000	0.020		8B.21	
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	-0.683	0.000	0.000	-0.683		8B.22	
Discharge consents	£m	3	0.000	0.000	0.000	0.003	0.000	0.000	0.003		8B.23	
Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000		8B.24	
<b>Other operating expenditure</b>												
Renewals expended in year (Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.25	
Renewals expended in year (Non-Infrastructure)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	8B.26	
Other operating expenditure excluding renewals	£m	3	0.000	0.000	0.000	6.883	0.000	0.000	6.883		8B.27	
Total functional expenditure	£m	3	0.000	0.000	0.000	6.223	0.000	0.000	6.223		8B.28	
Local authority and Cumulo rates	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000		8B.29	
Total operating expenditure (excluding 3rd party)	£m	3	0.000	0.000	0.000	6.223	0.000	0.000	6.223		8B.30	

Section 8: Bioresources

Pro forma 8C

Bioresources energy and liquors analysis for the 12 months ended 31 March 2024

Line description	Units	DPs	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	RAG 4 reference	
			MWh (0 DP)	MWh (0 DP)	MWh (0 DP)	MWh (0 DP)	£m (3 DP)	£m (3 DP)	£m (3 DP)	£m (3 DP)		
<b>Energy</b>												
Energy consumption - bioresources	SE Column Headings	SE Column Headings	8,960	46,296	0	74,400	1.573	0.534	0.000	2.107	8C.1	
Energy generated by and used in bioresources control	SE Column Headings	SE Column Headings	0	0	0	0	0.000	0.000	0.000	0.000	8C.2	
Energy generated by bioresources and used in network plus control	SE Column Headings	SE Column Headings	0	0	0	0	0.000	0.000	0.000	0.000	8C.3	
Energy generated by bioresources and exported to the grid or third party	SE Column Headings	SE Column Headings	0	0	133,414	133,414	0.000	0.000	-3.690	-3.690	8C.4	
Energy generated by bioresources that is unused	SE Column Headings	SE Column Headings	0	0	0	0	0.000	0.000	0.000	0.000	8C.5	
Energy bought from grid or third party and used in bioresources control	SE Column Headings	SE Column Headings	8,960	46,296	0	55,256	1.225	0.534	0.000	1.759	8C.6	
<b>Income from renewable energy subsidies</b>												
	Unit	DPs	Value									
Income claimed from Renewable Energy Certificates (ROCs)	£m	3	0.000									8C.7
Income claimed from Renewable Heat Incentives (RHIs)	£m	3	0.000									8C.8
Income claimed from [other renewable energy subsidy (1)]	£m	3	0.000									8C.9
Income claimed from [other renewable energy subsidy (2)]	£m	3	0.000									8C.10
Income claimed from [other renewable energy subsidy (3)]	£m	3	0.000									8C.11
Total income claimed from renewable energy subsidies	£m	3	0.000									8C.12
% of total number of renewable energy subsidies due to expire in the next 2 financial years	%	0	0%									8C.13
This year's value of renewable energy subsidies due to expire in the next 2 financial years	£m	3	0.000									8C.14

Section 8: Bioresources

Bioresources liquors treated by network plus (shadow reported)	Unit	DPs	Value
BOD load of liquor or partially treated liquor returned from bioresources to network plus	kg/d	0	9,740
Ammonia load of liquor or partially treated liquor returned from bioresources to network plus	kg Amm-N/d	0	3,120
Recharge to Bioresources by network plus for costs of handling and treating bioresources liquors	£m	3	2.194

8C.15
8C.16
8C.17

	Units	DPs	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total
			MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	MWh (0 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)	£m (3 DPs)

Energy (AMP 7 shadow reported values)

Energy consumption - bioresources	SE Column Headings	SE Column Headings	8,960	46,296	0	74,400	1.573	0.534	0.000	2.107	8C.18
Energy generated by and used in bioresources control	SE Column Headings	SE Column Headings	0	0	0	0	0.000	0.000	0.000	0.000	8C.19
Energy generated by bioresources and used in network plus control	SE Column Headings	SE Column Headings	0	0	0	0	0.000	0.000	0.000	0.000	8C.20
Energy generated by bioresources and exported to the grid or third party	SE Column Headings	SE Column Headings	0	0	133,414	133,414	0.000	0.000	-3.690	-3.690	8C.21
Energy generated by bioresources that is unused	SE Column Headings	SE Column Headings	0	0	0	0	0.000	0.000	0.000		8C.22
Energy bought from grid or third party and used in bioresources control	SE Column Headings	SE Column Headings	8,960	46,296	0	55,256	1.225	0.534	0.000	1.759	8C.23

	%
--	---

Percentage of bioresources energy consumption that is metered	100.000%
---	----------

8C.24
-------

## Pro forma 8D

## Bioresources sludge treatment and disposal data for the 12 months ended 31 March

Line description	Units	DPs	By incumbent	By 3rd party sludge service providers	RAG 4 reference
<b>Sludge treatment process</b>					
% Sludge - untreated	%	1	0.0%	0.0%	8D.1
% Sludge treatment process - raw sludge liming	%	1	26.5%	4.4%	8D.2
% Sludge treatment process - conventional AD	%	1	21.5%	0.0%	8D.3
% Sludge treatment process - advanced AD	%	1	52.0%	95.6%	8D.4
% Sludge treatment process - incineration of raw sludge	%	1	0.0%	0.0%	8D.5
% Sludge treatment process - other (specify)	%	1	0.0%	0.0%	8D.6
% Sludge treatment process - Total	%	1	100.0%	100.0%	8D.7
<b>(Un-incinerated) sludge disposal and recycling route</b>					
% Sludge disposal route - landfill, raw	%	1	0.0%	0.0%	8D.8
% Sludge disposal route - landfill, partly treated	%	1	0.0%	0.0%	8D.9
% Sludge disposal route - land restoration/ reclamation	%	1	0.0%	0.0%	8D.10
% Sludge disposal route - sludge recycled to farmland	%	1	100.0%	100.0%	8D.11
% Sludge disposal route - other (specify)	%	1	0.0%	0.0%	8D.12
% Sludge disposal route - Total	%	1	100.0%	100.0%	8D.13

# Section 9: Innovation competition

## Innovation competition

In line with Ofwat guidance, we are reporting having collected the allowed revenues from customers. There was no additional revenue from royalties as no projects have been initiated. For companies that have had projects approved, we have funded the required amounts. We are a named partner for 12 projects that have been awarded funding, of which four were announced in May 2023 for round three of the competition.

## Section 9: Innovation competition

Pro forma 9A

Innovation competition				
Line description	Units	DPs	Current year	RAG 4 reference
<b>Allowed</b>				
Allocated innovation competition fund price control revenue	£m	3	2,059	SA.1
<b>Revenue collected for the purposes of the innovation competition</b>				
Innovation fund income from customers	£m	3	2,059	SA.2
Income from customers to fund innovation projects the company is leading on	£m	3	0,000	SA.3
Income from customers as part of the inflation top-up mechanism	£m	3	0,000	SA.4
Income from other water companies to fund innovation projects the company is leading on	£m	3	0,000	SA.5
Income from customers that is transferred to other companies as part of the innovation fund	£m	3	2,002	SA.6
Non-price control revenue (e.g. royalties)	£m	3	0,000	SA.7
<b>Administration</b>				
Administration charge for innovation partner	£m	3	0,114	SA.8



Section 9: Innovation competition

Line description	Total amount of funding awarded to the lead company through the innovation fund	Total amount of inflation top-up funding received	Forecast expenditure on innovation fund projects in year (excl 10% partnership contribution)	Actual expenditure on innovation fund projects in year (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Forecast project lifecycle expenditure on innovation fund projects (excl 10% partnership contribution)	Cumulative actual expenditure on innovation fund projects (excl 10% partnership contribution)	Difference between actual and forecast expenditure	Allowed future expenditure on innovation fund projects (excl 10% partnership contribution)	In year expenditure on innovation projects funded by shareholders of the lead water company	In year expenditure on innovation projects funded by project partner contributions	Cumulative expenditure on innovation projects funded by shareholders of the lead water company	Cumulative expenditure on innovation projects funded by project partner contributions
Units	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
DPs	3	3	3	3	3	3	3	3	3	3	3	3	3
Innovation project 1 <please insert project name>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 4	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 5	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 6	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 7	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 8	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 9	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 10	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 11	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 12	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 13	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 14	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Innovation project 15	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

SA 9
SA 10
SA 11
SA 12
SA 13
SA 14
SA 15
SA 16
SA 17
SA 18
SA 19
SA 20
SA 21
SA 22
SA 23
SA 24

# Section 10: Green recovery

We are not required to populate the tables in this section.

# Section 11: Greenhouse gas emissions

Pro forma 11A

## Greenhouse gas emissions reporting for the 12 months ended 31 March 2024

Line description	Operational emissions			RAG 4 reference
	Water	Wastewater	Total	
Unit	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e	
DPs	3	3	3	

Scope one emissions				
Burning of fossil fuels (location-based)	828.148	14,248.259	15,076.407	11A.1
Burning of fossil fuels (market-based)	828.148	14,248.259	15,076.407	11A.2
Process and fugitive emissions	18.068	34,737.163	34,755.231	11A.3
Vehicle transport	4,630.692	6,953.113	11,583.804	11A.4
Emissions from land	-	-	-	11A.5
Total scope one emissions (location-based)	5,476.908	55,938.535	61,415.443	11A.6
Total scope one emissions (market-based)	5,476.908	55,938.535	61,415.443	11A.7

Scope one emissions; GHG type CO <sub>2</sub>	5,390.400	21,022.868	26,413.268	11A.8
Scope one emissions; GHG type CH <sub>4</sub>	1.344	17,752.238	17,753.582	11A.9
Scope one emissions; GHG type N <sub>2</sub> O	67.096	17,136.884	17,203.980	11A.10
Scope one emissions: GHG other types	18.068	26.545	44.613	11A.11

Scope two emissions				
Purchased electricity (location-based)	15,865.987	34,351.929	50,217.916	11A.12
Purchased electricity (market-based)	26,518.477	50,989.066	77,507.543	11A.13
Purchased heat	-	-	-	11A.14
Electric vehicles	2.235	3.284	5.519	11A.15
Removal of electricity to charge electric vehicles at site	- 0.673	- 0.988	- 1.661	11A.16
Total scope two emissions (location-based)	15,867.549	34,354.225	50,221.774	11A.17
Total scope two emissions (market-based)	26,520.039	50,991.362	77,511.401	11A.18

Scope two emissions; GHG type CO <sub>2</sub>	15,706.204	34,004.438	49,710.642	11A.19
Scope two emissions; GHG type CH <sub>4</sub>	68.660	148.652	217.313	11A.20
Scope two emissions; GHG type N <sub>2</sub> O	93.357	202.122	295.479	11A.21
Scope two emissions: GHG other types	-	-	-	11A.22

Scope three emissions				
Business travel	428.694	629.810	1,058.504	11A.23
Outsourced activities	2,719.720	5,841.531	8,561.252	11A.24
Purchased electricity; extraction, production, transmission and distribution (location-based)	3,755.371	8,176.565	11,931.936	11A.25
Purchased electricity; extraction, production, transmission and distribution (market-based)	3,755.371	8,176.565	11,931.936	11A.26
Purchased heat; extraction, production, transmission and distribution	-	-	-	11A.27

## Section 10: Green recovery

Purchased fuels; extraction, production, transmission and distribution	158.464	2,648.298	2,806.762	11A.28
Chemicals	4,025.127	6,552.436	10,577.563	11A.29
Disposal of waste	-	9,157.992	9,157.992	11A.30
Total scope three emissions (location-based)	11,087.377	33,006.632	44,094.009	11A.31
Total scope three emissions (market-based)	11,087.377	33,006.632	44,094.009	11A.32
Scope three emissions; GHG type CO <sub>2</sub>	11,087.377	23,848.640	34,936.017	11A.33
Scope three emissions; GHG type CH <sub>4</sub>	-	3,001.904	3,001.904	11A.34
Scope three emissions; GHG type N <sub>2</sub> O	-	6,156.088	6,156.088	11A.35
Scope three emissions: GHG other types	-	-	-	11A.36
<b>Gross operational emissions (Scopes 1,2 and 3)</b>				
Gross operational emissions (location-based)	32,431.835	123,299.391	155,731.225	11A.37
Gross operational emissions (market-based)	43,084.325	139,936.528	183,020.852	11A.38
<b>Emissions reductions</b>				
Exported renewables	-	-	-	11A.39
Exported biomethane	-	-	-	11A.40
Insets	-	-	-	11A.41
Other emissions reductions	-	-	-	11A.42
Total emissions reductions	-	-	-	11A.43
<b>Emissions reductions</b>				
Green tariff electricity	-	-	-	11A.44
<b>Net annual emissions</b>				
Net annual emissions (location-based)	32,431.835	123,299.391	155,731.225	11A.45
Net annual emissions (market-based)	43,084.325	139,936.528	183,020.852	11A.46
<b>GHG intensity ratios</b>				
Emissions per MI of treated water	0.263			11A.47
Emissions per MI of sewage treated		0.298		11A.48
<b>Embedded emissions</b>				
Line description		Water	Wastewater	Total
Unit		kgCO <sub>2</sub> e/MI	kgCO <sub>2</sub> e/MI	tCO <sub>2</sub> e
DPs		3	3	3
<b>Capital projects</b>				
Capital projects (cradle-to-gate)	21,921.137	37,141.400	59,062.537	11A.49
Capital projects (cradle-to-build)	31,226.981	40,922.410	72,149.391	11A.50
<b>Purchased goods and services</b>				
Purchased goods and services	2,941.703	11,152.242	14,093.945	11A.51

# Assurance

## Board statement on accuracy and completeness of data and information

The Board confirms it is satisfied that the data and information which the Company has provided to Ofwat in the reporting year and/or which the Company has published in its role as a water and sewerage undertaker was accurate and complete.



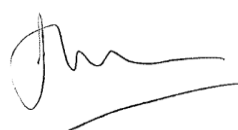
Francis Yeoh

**Chairman**



Colin Skellett

**Chief Executive**



Jim McKenna

**Senior Independent  
Non-Executive Director**



Kate Mingay

**Chair of Audit and Risk  
Committee**

08 July 2024

## Our assurance framework

Being honest and ethical in the way we conduct our business is one of our core values. The board has a well-established assurance framework, underpinned by our core values and ethics.

The board carries out a wide range of activities to be able to make this statement, detailed in the Company's Regulatory Assurance Manual.

Our overall approach to information assurance is governed by our business risk assurance map, which is published on our website. This is based on three levels of defence.

**First level of defence:** Director and management oversight of 'business as usual' risk mitigation measures covered by policies and procedures

**Second level of defence:** functions that oversee or specialise in risk management and/or compliance, eg, Risk Management Group, Security Management Group

**Third level of defence:** functions that provide independent assurance eg, internal and external audit.

The following groups and processes are in place as part of our approach to information assurance.

### **Audit and Risk Committee**

The Audit and Risk Committee assists the Board in monitoring the Company's obligations in relation to financial reporting, internal control and audit, and compliance and risk management systems. Part of the Committee's role is to review the Company's financial statements and Annual Review documents, including the Annual Performance Report.

## Assurance

### **External audit**

Our external technical auditors (currently Mott MacDonald) provide assurance on our regulatory submissions including the annual performance report, charges schemes and price review submissions.

Our financial auditors (currently EY) audit elements of the annual performance report (including the financial statements) as well as the non-statutory accounts and price review submissions.

Please see assurance statements for the 2023-24 annual performance report below.

### **Internal audit**

Internal audit delivers a flexible, risk-based programme of internal audits, which are reported to the Audit and Risk Committee.

### **Certification**

The annual company certification process (iComply) requires employees to confirm awareness of, and compliance with, the Company's rules, policies and procedures relevant to their role, including on data reporting. The results are reported to the Audit and Risk Committee.

We use an additional certification process to support the Audit and Risk Committee and board approval process for regulatory submissions to Ofwat, including the Annual Performance Report.

### **Method statements**

The process for generating the data and information in the Annual Performance Report is detailed in method statements for each table. These are reviewed as part of the external assurance process.

### **Risk assessment**

We vary the assurance activities we undertake for different submissions and publications depending on the risk of misreporting. For each piece of information, the impact and the likelihood of any error is considered. Our Information Risk Register details the level of assurance applied to routine submissions and publications. In addition, we provide data and information to our stakeholders on an ad-hoc basis. We assess any assurance requirements for these on a case-by-case basis.

The risk assessment is used to develop an audit needs analysis on an annual basis. This considers the residual risk and assurance cover to date. The audit needs analysis is used to develop an annual information assurance programme, which is presented to the Audit and Risk Committee for approval.

These processes satisfy the Board that the Company has identified and addressed risks to the provision of accurate and complete data and information appropriately in particular areas.

## External technical assurance report

### Assurance statement

#### To: Wessex Water audit and risk committee

I refer to my review of technical aspects of Wessex Water's annual performance report, which have been audited under my direction. We were given free access to people and information as necessary to complete our work.

In my professional opinion, based on and to the extent disclosed by sampling carried out, as described in my report to Wessex Water dated 27 June 2024:

1. The performance commitment data in tables 3A to 3I inclusive have been completed appropriately.
2. The capex expenditure data in tables 4D, 4E, 4F, 4G, 4J, 4K, 4N, 4O has been compiled appropriately. The capex and opex expenditure data in table 4L and 4M have been compiled appropriately.
3. The technical data in tables 4Q, 4R, 5A, 6A, 6B, 6C, 6D, 6F, 7B, 7C, 7D, 7E, 7F, 8A, 8C, 8D, 9A, 11A have been compiled appropriately.
4. Errors and omissions were corrected as a result of our audits.
5. We made minor recommendations for continuing improvement of the annual reporting process.

Dr Andrew Heather  
Mott MacDonald Ltd

27 June 2024

### Introduction and background

Water company annual performance reports include technical performance results, which are not subject to Ofwat's requirement for auditor opinion. Company boards are responsible for the accuracy and completeness of the data they provide to Ofwat and/or which they publish in their role as water and sewerage undertaker.

Our assurance is intended to support decision making as the Wessex Water Board prepare to assure Ofwat of the quality of Wessex Water's technical performance data. This document is not intended for any other purpose and users should read the 'use of this document' section in the frontispiece.

Our review of technical performance reports was based on sampling, so this document should be read in combination with directors' full knowledge of the company.

Between April and June 2024, we reviewed:

- Reported values of all 46 FD19 performance commitments and checked that robust processes were in place for the collation and reporting of annual results. These are reported through nine proforma tables in Section 3 of the APR.
- The 28 APR technical data tables, including section 4 tables which cover expenditure by asset type (as per last year).
- Seven historic June Annual Return tables which are not published or sent to Ofwat, but contain data that is used at price reviews, tracks statutory processes, or which you consider to be useful to monitor.

## Assurance

- CCW Return tables, EPA tables, Bioresource market tables, Gender Pay Gap, PR24 Outcomes, TCFD (Task Force on Climate-related Financial Disclosures) and SECR (Streamlined Energy & Carbon Reporting).
- Additional data on nitrogen removed from rivers and coastal water, biodiversity net gain, and Pelican's (Bristol Wessex Billing Services Ltd) contribution to customer service measures.

As requested by 'IN 24/01 Expectations for monopoly company annual performance reporting 2023-24', we confirm that we have reviewed all PCs including the reported 2023-24 financial PCs. The PCs reviewed are detailed in Appendix 1 – Performance commitments outturn.

## Scope

Test procedures were applied to each of the measures for APR24 (to the extent they were applicable):

### Pre-Audit Check:

1. Has the document for audit been uploaded in the SharePoint? If yes provide a link to document otherwise raise an action to ask when the documents will be uploaded
2. Are there any change on the line descriptions, definitions and any additional guidance from last year's submission? If no then no more action is required.

### Audit Tests

1. If actions were raised last year, have they been completed?
2. Has the data table been signed off by the owner and compiler?
3. Have any changes from previous submissions been adequately explained?
4. Does the method statement (MS) adequately support the provision of accurate and complete data and information and has it been used to populate the reported figures?
5. Is data collection and storage robust, including the upstream processes which generate the data?
6. Are the procedures in place adequate to provide accurate and complete data and information. For example, is there a checks and controls process? Any internal sign-off tracker?
7. Has reported performance been calculated in accordance with current definitions/requirements including FD19, corrigenda, and RAGs?
8. Can performance be explained in the context of historical and forecast data?
9. Does the commentary disclose material assumptions and explain performance?
10. Are there any material risks or issues that may impact the accuracy and completeness of reporting, now or in the future?
11. Is the data supported by audit trails, confirmed by sampling (at least 3 samples)
12. (PCs only) Has a confidence grade been defined in line with the Ofwat guidance? If yes, what is it / has it been changed from last year?



## Assurance

We have provided additional assurance statements/reports on the following performance commitments:

- A4 Gap sites
- E4 Natural capital: improve Sites of Special Scientific Interest (SSSI sites)
- E5 Greenhouse gas emissions
- E7 Working with catchment partners to improve natural capital
- F4 North Bristol sewer scheme
- E11 Km of river improved (non-WINEP)

## Assurance

### Overall performance

Of your 46 performance commitments, we agreed:

Performance commitment level		No. of PCs	
		APR23	APR24
<b>Met</b>	Outperformance	12	10
	No payment	10	11
<b>Missed</b>	Underperformance	7	10
	No payment	5	3
<b>Reputational only</b>	Met	8	8
	Missed	2	2
Reported by Ofwat		2	2

### Overview of findings

We discussed our key findings with Wessex Water's audit and risk committee, including areas of strong and weak performance.

- The results of four performance commitments changed as a result of our audits (sewer flooding risk (increased), greenhouse gas emissions (reduced), sewer collapses and km rivers improved (non-WINEP) (minor corrections).
- We observed several aspects of good practice, with examples including the adoption of new technology to support reporting, high quality method statements, making a priority of in-period performance monitoring, and a good system for checking uploaded results.
- We noted that the challenge of good delivery was more difficult this year, with bad weather affecting some measures and performance commitment levels becoming more challenging in others.

### Issue and revision record

Revision	Date	Originator	Checker	Approver	Description
1	28 June 2024	J Burke	H Marshall	A Heather	First issue
2	2 July 2024	A Heather	J Burke	A Heather	Corrections to tables.
3	3 July 2024	A Heather	M Rhodes	A Heather	Correction to overall performance table.

## Appendix 1: Performance commitments outturn

Common performance commitments	APR21 outturn	2021-22 PCL	APR22 outturn	2022-23 PCL	APR23 outturn	2023-24 PCL	APR24 outturn
Water Quality compliance (CRI) (Q1)	1.61	0	0.37	0	1.04	0.00	0.93
Water Supply Interruptions (R1)	00:04:34	00:06:08	00:04:12	00:05:45	00:04:10	00:05:23	00:05:35
Leakage (W1)	5.20%	3.90%	10.80%	6.90%	9.30%	9.90%	7.1%
Per capita consumption (W2)	-3.80%*	0.20%	-5.20%	0.30%	-5.40%	0.40%	-0.8%
Mains repairs (R4)	177.7	159.1	147.1	156.9	163.5	154.6	127.3
Unplanned outage (R5)	0.57%	2.34%	1.59%	2.34%	0.76%	2.34%	1.53%
Risk of severe restrictions in a drought (R2)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Priority services for customers in vulnerable circumstances (C1)							
Reach	2.5%	3.9%	4.0%	4.9%	6.10%	6.00%	9.1%
Attempted contact	49.4%	90.0%	91.6%	90.0%	90.8%	90.0%	98.2%
Actual contact	35.7%	35.0%	55.0%	35.0%	54.8%	35.0%	58.5%
Internal sewer flooding (F1)	1.41	1.63	1.43	1.58	1.31	1.44	1.56
Pollution incidents (E2)	25.18	23.74	20.6	23	31.48	22.4	36.06

## Assurance

Risk of sewer flooding in a storm (R3)	11.82%	11.93%	9.84%	9.45%	7.98%	8.91%	7.98%
Sewer collapses (R6)	6.12	6.33	5.91	6.33	5.22	6.33	5.55
Treatment works compliance (E1)	99.08%	100%	100%	100.00%	99.35	100.00%	99.03
C-MeX: Customer measure of experience (X1)	86.09	N/A	84.82	N/A	82.99	N/A	81.77*
D-MeX: Developer services measure of experience (X2)	89.47	N/A	89.65*	N/A	89.89	N/A	90.21*

\*C-MeX and D-MeX are reported directly by Ofwat

Bespoke performance commitments	APR21 outturn	2021-22 PCL	APR22 outturn	2022-23 PCL	APR23 outturn	2023-24 PCL	APR24 outturn
Delivering for customers in vulnerable circumstances (C2)	Maintained	Maintained	Maintained	Maintained	Maintained	Maintained	Maintained
Number of children/ students engaged (C3)	453 (WSX)	24,370	5,726	24,370	8,916	24,370	14,950
Customer reported leaks fixed within a day (W3)	92% (WSX)	90%	93%	90%	90%	90%	91%
Volume of water saved by water efficiency engagement (W4)	0.7 MI/d	2.0 MI/d	1.4 MI/d	3.0 MI/d	3.6 MI/d	4.0 MI/d	4.9 MI/d
Water quality customer contacts (Q2)	1.44	1.22	1.17	1.12	1.14	1.03	1.04
Tackling water quality at home and in the workplace (Q3)	9,739	18,297	14,181	18,297	18,596	18,297	20,579

## Assurance

Lead communication service pipes replaced (Q4)	944	1,410	1809	2,010	1,928	2,210	2,219
Event risk index (ERI WW) (Q5)	16.766	12.8	86.278	12.8	402.796	12.8	23.678
Customer property sewer flooding (external) (F2)	19.35	16.73	19.27	16.38	17.83	16.03	18.52
Sewer flooding risk (F3)	55,015	50,651	53,737	50,651	56,258	50,651	60,429
North Bristol Sewer Scheme – Trym catchment (F4)	N/A	0	N/A	0	0	0	0
Restrictions on water use (hosepipe bans) (R7)	0	0	0	0	0	0	0
Abstraction Incentive Mechanism (Mere) (E3)	-299MI	-100 MI	-251 MI	-100 MI	-319 MI	-100 MI	-142 MI
Natural capital: improve Sites of Special Scientific Interest (SSSI sites) (E4)	22%	40%	52%	60%	67%	80%	82%
Greenhouse gas emissions (E5)	109 ktCO2e	110 ktCO2e	106 ktCO2e	107 ktCO2e	104 ktCO2e	105 ktCO2e	105 ktCO2e
Working with communities to improve bathing water experience (E6)	20	26	24	33	36	40	44
Working with catchment partners to improve natural capital (E7)	33	37	42	37	43	37	42
Satisfactory sludge disposal (E8)	99.54%	100.00%	100%	100.00%	100.00%	100.00%	100.00%
Reduce frequent spilling overflows (non-WINEP) (E9)	0	0	0	0	0	0	0

## Assurance

Length of river with improved water quality through WINEP delivery (E10)	0.0km	159.4km	149.8km	167.4km	157.8km	167.4km	170.7km
Km of river improved (non-WINEP) (E11)	23.0km	0.0km	29.9km	0.0km	32.4km	0.0km	40.6
Abstraction Incentive Mechanism (Stubhampton) (E12)	-157MI	-45MI	-231MI	-45MI	-169IL	-45MI	-140MI
Delivery of water industry national environment programme requirements (NEP01)	met	met	met	met	met	met	met
Drainage and wastewater management plans (DWMP)	0%	0%	0%	100%	100%	100%	100%
WINEP requirements (Bristol (Avonmouth) STW) (E13)	0 months	0 months	0 months	0 months	0 months	0 months	0 months
Security non-SEMD outputs (SEC)	0 months	0 months	0 months	0 months	0 months	0 months	0 months
Total bill reduction to customers on social tariffs per 10,000 households (A1)	£56,562	£68,246	£61,133	£74,606	£72,723	£80,858	£76,567
Successful applications for assistance received by the independent advice sector/ third parties (A2)	1,614	2,300	1,977	2,300	2,474	2,300	2,732
Void sites (A3)	1.83%	2%	1.70%	2.00%	1.72%	2.00%	1.59%
Gap sites (A4)	113	112	113	112	115	112	54
Value for money (X3)	78%	79%	76%	81%	79%	83%	67%

**Appendix 1: Performance commitments outturn****Independent Auditor's report to the Water Services Regulation Authority (the WSR) and the Directors of Wessex Water Services Limited**

We have audited the tables within sections 1 and 2 of Wessex Water Services Limited's Annual Performance Report for the year ended 31 March 2024 ("the Regulatory Accounting Statements") which comprise:

- the regulatory financial reporting tables comprising the income statement (table 1A), the statement of comprehensive income (table 1B), the statement of financial position (table 1C), the statement of cash flows (table 1D), the net debt analysis (table 1E), the financial flows (table 1F) and the related notes; and
- the regulatory price review and other segmental reporting tables comprising the segmental income statement (table 2A), the totex analysis for wholesale water and wastewater (table 2B), the operating cost analysis for retail (table 2C), the historical cost analysis of fixed assets for wholesale and retail (table 2D), the analysis of grants and contributions and land sales for wholesale (table 2E), the household water revenues by customer type (table 2F), the non-household water revenues by customer type (table 2G), the non-household wastewater revenues by customer type (table 2H), the revenue analysis and wholesale control reconciliation (table 2I), the infrastructure network reinforcement costs (table 2J), the infrastructure charges reconciliation (table 2K), the analysis of land sales (table 2L), the revenue reconciliation for wholesale (table 2M), residential retail social tariffs (table 2N) and historical cost analysis of intangible assets (table 2O) and the related notes.

We have not audited the Outcome performance tables (3A to 3I) and the additional regulatory information in tables 4A to 4Y, 5A to 5B, 6A to 6F, 7A to 7F, 8A to 8D, 9A, 10A to 10H and 11A.

In our opinion, the Company's Regulatory Accounting Statements have been properly prepared, in all material respects, in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSR (RAG 1.09, RAG 2.08, RAG 3.14, RAG 4.12 and RAG 5.07), and the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.14, appendix 2), set out on page 8-19.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law, and having regard to the guidance contained in ICAEW Technical Release Tech 02/16 AAF (Revised) 'Reporting to Regulators on Regulatory Accounts' issued by the Institute of Chartered Accountants in England & Wales.

Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Regulatory Accounting Statements within the Annual Performance Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – special purpose basis of preparation**

We draw attention to the fact that the Regulatory Accounting Statements have been prepared in accordance with a special purpose framework, Condition F, the Regulatory Accounting Guidelines, the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.14, appendix 2) set out in the statement of accounting policies and under the historical cost convention. The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. As a result, the Regulatory Accounting Statements may not be suitable for another purpose. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the WSRA's purposes. Accordingly, we make no such assessment. In addition, we are not required to assess whether the methods of cost allocation set out in the accounting methodology statement are appropriate to the circumstances of the Company or whether they meet the requirements of the WSRA.

The Regulatory Accounting Statements are separate from the non-statutory financial statements of the Company and have not been prepared under the basis of United Kingdom adopted international accounting standards ("UK IASs"). Financial information other than that prepared on the basis of UK IASs does not necessarily represent a true and fair view of the financial performance or financial position of a Company as shown in non-statutory financial statements prepared in accordance with UK adopted international accounting standards.

The Regulatory Accounting Statements on pages 23 to 32 have been drawn up in accordance with Regulatory Accounting Guidelines with a number of departures from UK IASs. A summary of the effect of these departures in the Company's non-statutory financial statements is included in the tables within section 1

Our opinion is not modified in respect of this matter.

**Conclusions relating to going concern**

In auditing the Regulatory Accounting Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Regulatory Accounting Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises all of the information in the Annual Performance Report other than the Regulatory Accounting Statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the Regulatory Accounting Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Regulatory Accounting Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Regulatory Accounting Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the Regulatory Accounting Statements or a material misstatement of the other information. If, based on the work we have



performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report based on these responsibilities.

### **Responsibilities of the Directors for the Annual Performance Report**

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the Annual Performance Report in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRSA and the Company's accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.14, appendix 2).

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Annual Performance Report that is free from material misstatement, whether due to fraud or error.

In preparing the Annual Performance Report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the Audit of the Regulatory Accounting Statements within the Annual Performance Report**

Our objectives are to obtain reasonable assurance about whether the Regulatory Accounting Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Regulatory Accounting Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the Regulatory Accounting Statements. These included;
  - Regulatory Accounting Guidelines as issued by the WRSRA,
  - UK adopted international accounting standards
  - Financial Reporting Council (FRC)
  - Tax Legislation (Governed by HM Revenue and Customs),
  - General Data Protection Regulation
  - The UK Bribery Act
  - Anti-Money Laundering Legislation

- Health & Safety Legislation
  - Ofwat Regulations
  - The Water Act (2003; 2014)
  - Environment Act (1995; 2021)
- do not have a direct effect on the Regulatory Accounting Statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence, regulatory solvency requirements and environmental regulations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- We understood how Wessex Water Services Limited is complying with those frameworks by enquiring with management to understand how the company maintain and communicate its policies and procedures in relation to these areas. We evaluated the entity level control environment through discussion with management and in-house legal counsel and inspecting policies and observing the control environment.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management and internal audit to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings. We considered the programmes and controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making enquiries of key management and in-house legal counsel, reviewing key policies, inspecting legal registers and correspondence of non-compliance from the relevant authorities and reports from any external legal teams, and reading board meeting minutes. We performed journal entry testing to ensure that there are no unusual legal or penalty expenses incurred during the year that haven't been disclosed and to ensure that the management is in compliance with the applicable framework. For any non-compliance noted, we assessed the accounting implications and read the financial statements to evaluate the appropriateness of the disclosures.

A further description of our responsibilities for the audit of the Regulatory Accounting Statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Use of this report

This report is made, on terms that have been agreed, solely to the Company and the WSRA in order to meet the requirements of Condition F of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water and sewage undertaker under the Water Industry Act 1991 (“Condition F”). Our audit work has been undertaken so that we might state to the Company and the WSRA those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under Condition F to procure such a report and (b) to facilitate the carrying out by the WSRA of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the WSRA, for our audit work, for this report or for the opinions we have formed.

Our opinion on the Regulatory Accounting Statements is separate from our opinion on the non-statutory financial statements of the Company for the year ended 31 March 2024 on which we reported on 8 July 2024, which are prepared for a different purpose. Our audit report in relation to the non-statutory financial statements of the Company (our “Non-Statutory audit”) was made solely to the Company’s directors. Our Non-Statutory audit work was undertaken so that we might state to the Company’s directors those matters we are required to state to them in a Non-statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Non-Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Simon O’Neill (Senior statutory auditor)  
Ernst & Young LLP  
Birmingham  
8 July 2024