

# Striking the balance

Business plan  
2025-2030



**Wessex Water**  
YTL GROUP

FOR YOU. FOR LIFE.



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# Our approach

This business plan for 2025-30 proposes a level of investment that is more than double our current programme. It delivers a highly ambitious set of outcomes, including tackling pollution, enhancing the water environment, and ensuring there is enough water to cater for everyone's needs over the long-term. We have built these proposals in response to the many and varied challenges we now face, both as a company and a society, and with our customers' priorities front of mind.

As a responsible Board, we have had to balance risk and ambition and are aware that such a significant step-up in investment will be very stretching for the entire Wessex Water community: for our customers and shareholders who will need to fund it; and for the partners, suppliers, and communities we will work with to deliver it.

Our elevated ambition comes during a cost of living crisis. We have pledged to eradicate water poverty by 2030 and that commitment remains firm, even as we look to scale up spending dramatically. It is even more important now that other household bills are higher, that our services remain affordable for all.

To be clear, all of the investment set out in this plan is essential if we are to do the right thing for customers and the environment, within the current policy and regulatory framework. We have carefully prioritised and only included what we need to do to meet legislative and regulatory expectations and deliver the outcomes our customers and communities support.

This is a very challenging balance to strike. We could not, in good conscience, put forward a plan that complies with requirements without first striving to mitigate the regrettable bill impacts for our customers and carbon consequences for our environment.

So, we have put innovation front and centre in this plan - in particular, prioritising innovations that deliver multiple benefits rather than single outcomes. In developing our proposals, we have challenged ourselves, on every single outcome we will deliver, to find the best possible approach - the most cost efficient, nature positive and lowest carbon option.

We have defined innovation broadly - looking as much to how our communities can participate, how we buy goods and services, and our ways of working, as to developments in technology and increasingly sophisticated uses of data.

Throughout this document, alongside detailing what our plan contains, we showcase examples of the innovative ways we will deliver it. Our focus is always on approaches that make both environmental and financial sense.

In adopting this direction, we are far from starting from scratch:

- We have a solid track record of delivery and extensive in-house construction and innovation expertise.
- We have a clear vision of the outcomes we intend to deliver by 2050, and our plan for 2025-30 is set in the context of these longer-term ambitions.
- We have a long history of listening to, and working with, our customers and communities, and consistently demonstrate customer satisfaction. We have once again woven what those we serve have told us throughout our strategy.

This plan is, therefore, as credible and deliverable as it is ambitious. It is the very best we can do, to provide for our customers, communities, and environment within the current framework, in the most affordable and sustainable way possible.

# Striking the balance

This plan is all about striking the best possible balance for people and planet at a time of crisis.

We face a cost of living crisis; a climate and nature crisis; and a crisis of confidence in the water sector. For all these reasons, public and political scrutiny is rightly at an all time high. At Wessex Water, we have recognised that we did not act quickly enough on storm discharges, we will now step up, inspire confidence and start to rebuild trust.

But there are no easy choices or quick fixes. Each and every challenge is both urgent and long-term in nature. Often the various challenges also pull in different directions. For instance, rapidly accelerating investment in improving river health would support environmental recovery and trust, but would increase costs for customers and, where nature-based solutions are not possible, produce more carbon.

In short, PR24 looks set to be the most difficult price review so far.



Tan Sri (Sir) Francis Yeoh KBE  
Chairman

### **Our five-step approach**

Against that backdrop, we have followed a five-step approach to creating this business plan for 2025-30:

1. We have listened closely to our customers and made choices based on their priorities. This includes investing in areas where there is customer enthusiasm, and moderating spending in areas where our performance and customer satisfaction are high, to mitigate bill increases.
2. Our expected legal and regulatory obligations are fundamental and the key areas of investment funded by this plan are driven by statutory requirements. We are prioritising our investment to make the biggest impact possible as quickly as possible.
3. We have injected innovation and ambition throughout our proposals, to deliver the most affordable and sustainable outcomes possible. Examples are given throughout this document and range from the people-centric and place-based, to realising the potential of our data to be proactive in preventing harm and assisting our customers and communities. We have prioritised innovations that deliver multiple benefits rather than single outcomes.
4. Wherever possible and within the confines of the regulatory framework, we have chosen alternative, more cost-effective delivery options, including nature-based solutions, catchment approaches, partnership working and delivering at a pace our customers can afford.
5. We have protected customers who will be hardest hit, by redoubling our effort to eradicate water poverty by 2030 and expanding our industry-leading affordability assistance programme.

## Doubling investment

Following this five-step approach, and working with our partners, we have undertaken an intense programme of development work over the past two years, culminating in the plan we present today. We have identified a need for investment of £3.5bn in 2025-30 - more than double our traditional five yearly spend of around £1.5bn.

In keeping with customer and policy priorities, as well as legal and regulatory requirements, delivering environmental improvements will dominate this expenditure. This amounts to a fundamental reassessment of our PR19 investment programme, chiefly in response to criticism and concern about river health. We intend to:

- Invest record amounts in reducing discharges from storm overflows, including through a programme of nature-boosting wetland creation.
- Spend £900m - just over a quarter of our whole budget - on stripping nutrients out of our treated wastewater discharges. 43% of our area is covered by nutrient neutrality rules, due to the sensitive nature of the receiving waters. This is a far higher proportion than for any other water company. We need to make this investment so housebuilding and growth can continue in these areas without further damaging the water environment.
- Pursue a number of supply enhancement and demand reduction activities that will enable us to abstract up to 20% less water from rivers and groundwater sources.

We have also proposed a substantial increase in our capital maintenance budget, to repair and replace our existing assets. This is to start to address the widely recognised and sector-wide issue of historic under investment in infrastructure, as well as ensure we are back on a long-run sustainable path. This investment is especially critical if the country is to address its persistently low productivity performance.

In the round, this plan will enable us to take a positive first step towards delivering our long-term vision to 2050. There will be benefits on top for our region from the scale of the programme, including in terms of jobs, development opportunities and wider economic growth.

## Mitigating risk

We appreciate that our ambitions will be challenging to realise.

For customers, we expect average bills to increase by £150 in real terms over the next five years, after a decade of rises being held below inflation. We don't underestimate how unwelcome this will be for many. As described, we have minimised the increase by pursuing alternative and innovative approaches wherever possible, and we commit to protecting those who will struggle to pay. The plan contains the best balance we have been able to strike between increasing investment and keeping prices affordable.

In terms of practical delivery, we have taken every step to scale up, tool up and get ready for an unprecedented workload expansion. This includes early engagement with our local supply network and looking at opportunities available from YTL's global reach. We expect our in-house delivery model to stand us in good stead, as we are already accustomed to managing risk and playing a hands-on role.

Finally, from its perspective as Wessex Water's owner, YTL remains committed to ensuring the company remains financially resilient. We will maintain the simple financial structure, stable and prudent gearing, solid credit rating and commitment to performance related rewards that we have practiced in our two decades of ownership to date.

We stand ready to partner with our customers to help finance a doubling of investment using retained earnings to share the cost burden between shareholders and customers. But we need regulatory and political certainty to do so, and a fair return which recognises the higher level of risk attached to an enlarged, long-term, innovative spending programme.

If we all collaborate and pull together, we can strike a balance and achieve the very best outcomes for all.



**Tan Sri (Sir) Francis Yeoh KBE**  
Chairman



# Rising to complex challenges through innovation

## Outcomes for 2025-30 and how we have ensured our plan is affordable, deliverable and financeable.

### Outcomes and costs: increasing investment to secure resilience and protect the environment

We propose making £3.5bn of investment in 2025-30 (the AMP8 period) to deliver a wide range of stretching outcomes for customers and the environment. The table provides more detail on how this investment will be allocated. We will ensure our bills remain affordable and our customer service standards excellent as we deliver this programme, which is more than double the size of our typical five-yearly spend.

### Drivers of Capital Investment

| Drivers                                   | Cost (£m)    |
|---|--------------|
| Nutrient reduction                        | 900          |
| Storm overflow improvement                | 400          |
| Maintaining asset resilience              | 1100         |
| Bioresources and IED                      | 180          |
| WINEP improvements and investigations     | 150          |
| Smart metering, leakage and PCC reduction | 120          |
| Pollution and sewer flooding              | 120          |
| Wastewater treatment capacity             | 100          |
| Continuous river quality monitoring       | 70           |
| New development                           | 70           |
| Other                                     | 290          |
| <b>Total</b>                              | <b>3,500</b> |

Making this level of investment will bring benefits to the region beyond those for water services and the water environment. It will create jobs, provide work for our network of partners and support wider economic growth.

## Customer engagement, affordability and acceptability

Customer views are at the heart of this plan. As we have developed our proposals over the past two years, we have continually been informed by customer opinion, which we have sought out through a robust framework of research and engagement. This started with our eight priorities to 2050, which we developed previously in partnership with customers and stakeholders. It has continued throughout the process of developing these PR24 proposals. We have shaped, checked, reshaped, and rechecked our strategy repeatedly on the back of feedback, for example refining our smart metering programme, and have used innovative techniques such as a new method of willingness to pay analysis to understand the values customers place on particular service levels. We have taken special care to listen to the views of people in vulnerable circumstances who may have specific or additional needs and the consumer advice agencies that work with them.

Our proposals therefore reflect customer preferences as far as possible. 62% support the plan tested, which will deliver high standards of service alongside elevated levels of environmental protection.

However, customers are also very clear that bills must remain affordable for all. This is a major challenge and a fine balance. More than doubling investment will significantly impact bills; we forecast the average bill will need to rise by 29% by 2030 to fund the increased spend.

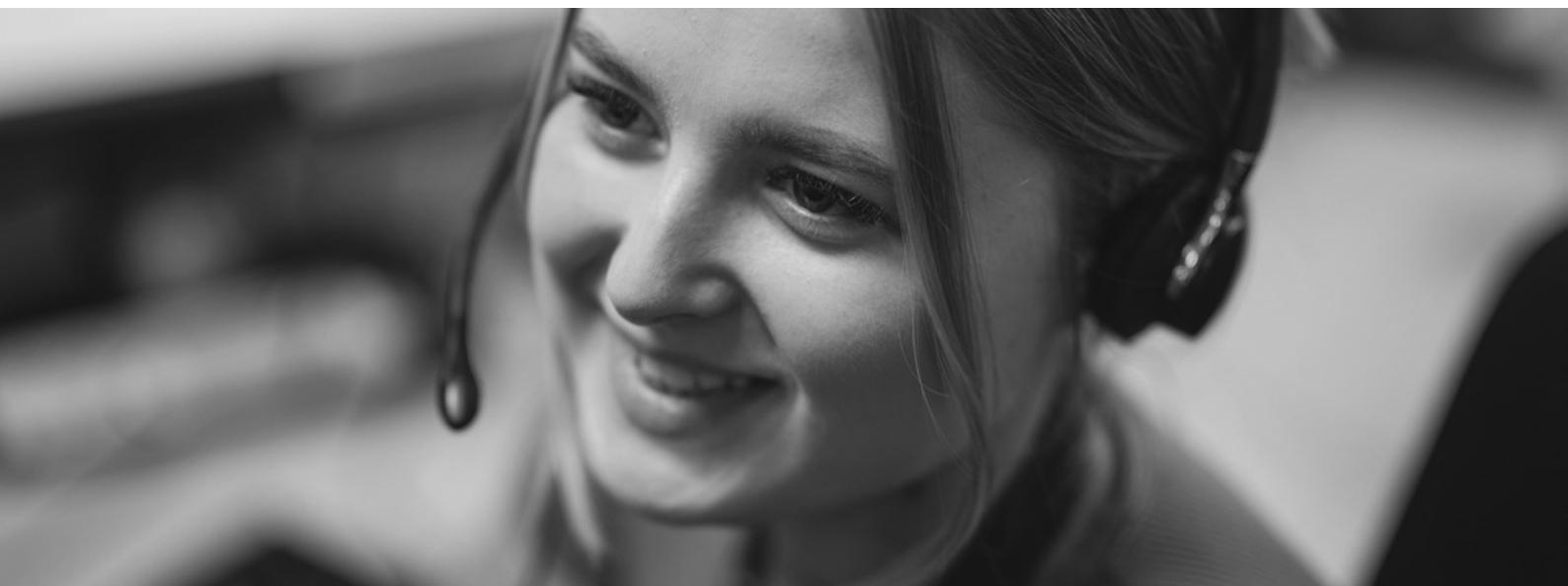
The need for a material increase in bills at this time must be viewed in context. Water is a precious and scarce resource and is inevitably becoming more so as our population grows and our climate changes. Yet as the scarcity of water has increased, water bill rises have been below the rate of inflation over the last decade.

That dichotomy is unsustainable, and making a change at this time is essential.

Clearly this will be hugely challenging. For those on low incomes, bill increases will be particularly difficult to manage, given they fall during an ongoing cost of living crisis. Many in our area are already struggling to afford basic household running costs. On top of that, trust in the water industry is diminished, notably concerning the delivery of environmental outcomes following recent criticism of the use of storm overflows.

Our response to this extreme challenge is three-fold:

- We will protect those who can't afford to pay the full cost of their water services. We pledge to eradicate water poverty by 2030, based on the principle that a customer's water bill should be no more than 5% of their disposable household income after housing costs. In the first instance, we will increase the number of households who receive support under our Tailored Assistance Programme to around 140,000. We will be building here on our track record of being at the forefront of affordability support; we were the first water company to offer a social tariff, the success of which led to social tariffs being rolled out industry wide.
- Through our communications, we will help customers understand what we are trying to achieve and why, and that an increase in investment and bills is a downpayment on resilient services and a healthy environment in the future. We will also raise awareness of the huge contribution that higher investment will make to the local economy, through providing work opportunities and enhancing the local tourism offer by protecting nature and our waterways.
- We will mitigate bill impacts for all of our customers by championing efficiency. This plan actively harnesses innovation to find new ways of delivering our services; dynamic, forward-looking, and far-reaching solutions that are cheaper, greener and deliver better value results.



## Key areas of expenditure

At £3.5bn, the level of investment we need for 2025-30 is more than double our typical spend of around £1.5bn in previous five-year periods. All of the earmarked spending is driven by legislative and regulatory demands - there is very little optional investment.

The most significant categories of spending target the two top priorities championed by both policymakers and our customers: greater water supply resilience and cleaner rivers.

### Water supply resilience

We put less water into supply today than we did 30 years ago despite an increased population. Even so we forecast a water deficit from 2035 under a 1 in 500-year drought planning scenario. So we will invest £170m in AMP8 to maintain our supply/demand position. Key activities are:

- **Demand management** - We will pursue an ambitious strategy with: a rapid rollout of smart meters to 40% of all our household and business customers by 2030; doubling the number of water efficiency visits we conduct; and cutting leakage by another 5% by 2030.
- **New water resource development** - to meet longer term requirements we are proposing three new water supply resilience solutions: a second reservoir at Cheddar, turning a former quarry in the Mendips into a reservoir and transferring highly treated effluent from Poole to the River Stour, which will all be delivered over the next 20 years.

### Cleaner rivers and seas

Over half our AMP8 enhancement investment, £1.3bn, will improve the way we manage wastewater, most of which is ultimately to better protect the health of our rivers and seas. We have an important role to play in protecting and enhancing the water environment in our beautiful region. Key activities are:

- **Nutrient reduction** - We will spend £900m on reducing nutrients (chiefly phosphorus) in treated wastewater discharges. Excess nutrients can result in high algal growth, which can deprive the waterways of oxygen, destroy habitats and kill wildlife. Legislation requires us to use traditional treatment solutions for the most part, but we will incorporate catchment and nature-based solutions such as reedbeds and wetlands wherever possible.

- **Storm overflows** - We responded promptly to public concern over discharges of sewage mixed with rainwater from storm overflows and significantly increased our investment on reducing spills. In AMP8 we will spend £400m on engineering solutions and where possible, wetland treatment and rainwater separation. Nature based solutions to treat overflows driven by high groundwater levels, will convert the discharge into treated effluent and significantly reduce our overall overflow spill times. This investment will tackle the worst storm overflow issues.

### Maintaining the resilience of our assets

We will be investing £1.1bn on capital maintenance that is critical to continued delivery of our services as well as a health and safety imperative. It is critical that this forms part of our final determination.

As a result of the regulated price path for water deviating from its 'true' value, there has inevitably been underfunding (and thus, underinvestment) over the last decade. This will have constrained both our ability to invest in new assets, as well as our ability to maintain our existing ones. For example, had prices even just kept pace with inflation over the last 10 years to 2022-23, this would have translated to an additional £324m of revenues that we could have reinvested.

Put simply, our proposed ramp-up in capital maintenance over the next AMP is not the result of us failing to invest money we had available. Rather, it is both to 'make up for' previous under-funding; and to ensure we are back on a long-run sustainable path. This picture of underinvestment in critical infrastructure is not limited to the water industry; it is increasingly being accepted as a systematic pattern across the UK.

Addressing this is especially critical if the country is to address its persistently low productivity performance.

£900m

invested in reducing nutrients  
in treated wastewater

£400m

invested in storm overflow  
improvements



# The bigger picture: PR24's place in our long-term delivery strategy

Underpinning this policy picture and our ambitious business plan, there are a number of complex challenges that require materially increased investment in water and wastewater infrastructure. These include:

- More volatile weather patterns and population growth (a prominent feature in our region), which are increasing the pressure on water and wastewater assets. We need to increase resilience to safeguard service levels for current and future generations. This challenge is compounded by the fact that the rate of approved investment in industry assets has slowed down since the initial post-privatisation boom, leaving many operating for far longer than originally planned.

- Higher environmental expectations from customers and wider society, which compel immediate action to limit storm overflows, maintain the nutrient balances in waterways, and reduce abstraction. We need to deliver these higher standards while simultaneously decarbonising and providing a level of customer service comparable to leading sectors.
- Demands for further efficiency improvements. As one of the most efficient companies in the water industry, we have already made very significant improvements over the past 35 years. We now need to invest in technology and innovation to unlock further productivity gains.
- A real need to get back on a sustainable path of capital maintenance investment to ensure our long-term resilience.

These are all long-term challenges. Increasing our investment at PR24 will be the first step on our long-term journey to lead the field in providing value for money solutions to secure service resilience and protect the natural environment. Our Strategic Direction Statement sets out our vision to 2050 for each outcome we will be delivering during AMP8.

## Our 2050 objectives

| Business area                     | Outcome                                   | 2050 objectives  |
|-----------------------------------|---|--|
| <b>Water supply</b>               | Safe and reliable water supply            | <ul style="list-style-type: none"> <li>• 100% compliance with drinking water standards</li> <li>• Zero supply interruptions of over 3hrs</li> </ul>  |
|                                   | Sustainable abstraction                   | <ul style="list-style-type: none"> <li>• Halve leakage from 2017-18</li> <li>• Reduce personal consumption to 110 litres per person per day</li> <li>• Ensure our abstraction does not harm the water environment</li> </ul> |
| <b>Wastewater</b>                 | Effective sewerage system                 | <ul style="list-style-type: none"> <li>• Halve the number of incidents of sewer flooding from a 2019-20 base</li> <li>• Eliminate or treat storm overflows and so they cause no harm to the environment</li> </ul>           |
|                                   | Excellent river and coastal water quality | <ul style="list-style-type: none"> <li>• Zero pollution incidents</li> </ul>   |
| <b>Wider environment</b>          | Carbon                                    | <ul style="list-style-type: none"> <li>• Net zero operational emissions by 2030</li> <li>• A fully net zero business by 2040</li> </ul>  |
|                                   | Biodiversity                              | <ul style="list-style-type: none"> <li>• Improve our landholding by an additional 5,000 biodiversity units between 2025-50.</li> </ul>   |
| <b>Bills and customer service</b> | Affordable bills                          | <ul style="list-style-type: none"> <li>• Zero water poverty by 2030</li> </ul>   |
|                                   | Excellent customer experience             | <ul style="list-style-type: none"> <li>• Maintain our position as the top water and wastewater Company for customer service</li> <li>• Become one of the best providers of customer service across all businesses</li> </ul> |

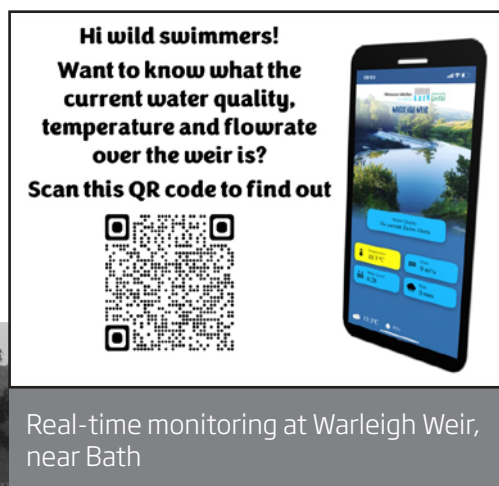
## Innovation and ambition: the heart of our plan

Innovation is front and centre in this plan. If we pursue purely traditional approaches, we would need to spend more and charge customers more. We would also have concentrated principally on 'grey' infrastructure solutions built of concrete and steel, which are carbon and often chemical heavy - an approach that would have been at odds with our drive to reach net zero ten years earlier than the wider economy and to support nature recovery.

Instead, we are actively pursuing alternative approaches wherever these are permitted by policy and regulation, cost effective and in line with customer preferences. We use innovation to enhance our work, defining it very broadly, from harnessing advances in technology, design and data insight on one hand, to new ways of working, new partnerships, and new mindsets on the other.

We are no stranger to this approach. We are a long-standing leader in innovation in the water sector, with a track record that proves we have the right culture and processes in place to successfully seize new opportunities when they come along.

We have a number of industry firsts under our belt, spanning decades. We developed the first nature-based solutions with farmers more than 30 years ago and have since pioneered catchment markets that deliver more for less for the environment by facilitating trades for a range of ecosystem services. We introduced the first social tariff to assist people struggling to pay their water bills. We were pioneers in areas as diverse as green accounting, biodiversity action planning and building a water supply grid. The case studies in the boxes provide more detail on a couple of our current innovations that we plan to expand in AMP8.



**Hi wild swimmers!**  
**Want to know what the current water quality, temperature and flowrate over the weir is?**  
**Scan this QR code to find out**

Real-time monitoring at Warleigh Weir, near Bath



## Storm Harvester - reaping benefits beyond expectations

We shared two years of wastewater data on almost 90 sites in our Bath catchment on our open data platform the Wessex Water Marketplace, in the hunt for a monitoring solution that would be able to distinguish between storm overflows operating abnormally during storm conditions and therefore needing attention, and those operating as intended but raising wet weather alarms.

After taking three products to a three-month trial, we chose StormHarvester - the first water company to expand its use across our sewerage network. The solution uses machine learning and hyperlocal rainfall forecasts to predict sewer levels/flows, detect early blockage formations and optimise network performance.

Its intelligence delivered our core aim of reducing wet weather alarms by over 97% - but also unleashed a suite of other benefits such as flagging build ups that might lead to a blockage so our crews could proactively intervene.

We've seen remarkably low levels of false positive alarms and wasted operational time. This has given us greater confidence to explore how artificial intelligence and data-driven approaches might be deployed elsewhere in hostile sewer environments.

We are currently implementing the StormHarvester solution on our 1,300 already installed monitors and plan to roll it out across the 12,000 more monitors we plan to install in 2025-30. This will support our ambitions to reduce pollutions and sewer flooding incidents.

Storm Harvester has since been adopted by a number of other water and sewerage companies.



## Digital twins – innovation testbeds

Digital twins are sophisticated virtual replicas of physical assets or systems. They serve as testbeds for innovation in allowing ideas and solutions to be tested authentically but in a safe environment.

We already use some digital visualisation techniques, including digital modelling, BIM 360 and the basic 'Mimics' function of our regional control system, ScopeX. But a full digital twin will take this capability further in observing the telemetry of its physical mirror image, so we can control, monitor, and forecast actual asset behaviour. It can also support the integration of data from multiple other sources, internal and external.

In AMP8 we have earmarked funding to build digital twins of two of our flagship sites: a water treatment centre and a water recycling centre. Once we have developed the capability, we could potentially model it out to create multiple digital twins by 2030 of our plants and networks, which we could connect up for even greater benefit. Potentially, this could even extend to ecological digital twins of our river systems, once water quality monitoring is in place along with storm discharge monitoring.

But the challenges we are facing at PR24 require us to elevate our ambition. We are now therefore adopting a more strategic approach to innovation. While considering new ideas and ways of working on a case-by-case basis, we are targeting a number of innovation themes that we believe will enable us to simultaneously mitigate bill increases, improve our performance and respond to the climate and nature emergencies. These themes are as follows:

### Intelligence-led and data-driven

We are continuing our journey towards intelligence-led and data-driven approaches such as Storm Harvester.

AMP7 has been about strengthening the foundations in our IT and data architecture:

- We are in the process of transitioning from our remaining legacy systems to Microsoft Dynamics as our core, evergreen platform. We have started to build out enhanced services such as job tracking and a better digital customer service offering.
- We have created a data lake to connect previously disjointed data sources. This will enable us to access new insights, report consistently and manage large volumes of data on a near real time basis, supporting swifter analytics and robust decision making. We are currently working to enable different internal user communities to access this data, and to develop a strategic plan to govern and make best use of it, including by using machine learning and artificial intelligence where this would provide the greatest value.
- We have agreed a single asset hierarchy to determine how we prioritise asset data capture to grow our data lake and drive our reporting and proactive work.

We have already started to explore the emerging benefits of an intelligence-led and data-driven approach. For instance, we have combined real time water quality monitoring with AI and predictive technology and created an app to provide practical information for users on whether conditions are suitable to swim.

In AMP8, we will expand this work and embed the approach across the business. Our IT and technology

teams have been integrally involved in the creation of this business plan, and in addition to the standalone IT budget, we have incorporated IT and data-related costs into the budgets for each business area and outcome. We need to be flexible and responsive to business need, and to try things and learn fast. Our data sources will soar as smart meters, new sewer sensors and water quality monitors come online. We will layer this data in, mining it for rich insights that will inform operations and investment.

Among some of our priorities are:

**Connected and intelligent networks** – Using insights from an extensive expansion of monitoring, we plan to identify trends and build a risk profile of our wastewater network to enable proactive maintenance, target activity and prevent pollutions. We already have good visibility of our water network, but will layer diverse datasets, for example temperature and weather data, into our models and explore linking up network intelligence with information from water catchments and treatment centres. We will move our alerts and monitoring systems into a more predictive space.

**Getting ahead of the debate on environmental demands** – We will share near real time data on our storm overflow discharges in an accessible map format in 2023. We will provide additional context by also visualising the contributing catchment upstream of each overflow and our investment plans for it. In time, we will add water quality data from monitoring upstream and downstream of discharges. In the meantime, we will expand our use of AI and machine learning to provide practical information to more water users.

**Data-driven decision making** – Across all areas, we will strive to ensure our choices are based on sound science and robust data. A key initiative is to build digital twins of core assets, so we can simulate changes in a life-like environment. We are also committed to sharing our data transparently and taking onboard insights from external data sources – for example, citizen scientists and partner organisations. We are playing an active role in the water industry's Stream initiative to move to an open data position.

## Wessex Water Guardians

Through partnerships with the Wildlife Trusts, we have recruited and trained volunteers who share our goal to build a better environment for wildlife. Collectively, they have walked over 1,000km monitoring watercourses in our area and have reported around 70 potential incidents to us.

The Guardians programme has strengthened our relationship with the Wildlife Trusts, improved communication with interested external stakeholders and assisted our own self reporting (10 of the 70 incidents reported were our responsibility).

In summer 2023, we are extending the partnership to the Bristol Avon Rivers Trust.



### **Cultivating more active communities**

There has been a surge of public interest in water, with river pollution, chalk ecosystems and security of supply becoming major media and political issues. While this has largely been critical of water companies, we want to capitalise on the heightened awareness, and enable our customers to become part of the solution to problems they care about. In particular, we want to support them to see themselves as part of the water cycle and to understand that they have an important role to play within it. We recognise this is contingent upon us also building and securing public trust.

We will work to do that, and believe a deeper level of understanding and connection is essential if we are

to secure the sustained behavioural responses we need from customers and communities. These include to reduce water consumption to ensure sustainable supplies for the long term; to eradicate sewer misuse to prevent blockages and pollutions; and to treat rainwater as a valuable resource.

Our plan contains a range of innovative initiatives to bring people into the picture and empower them to act - be it a customer at home, a concerned member of a community group, or simply someone out walking their dog who sees something they want to report.

## Honing in on holistic outcomes

Given the number of challenges we face simultaneously, we are prioritising innovations that deliver multiple benefits rather than single outcomes. This is a route to providing good value for our customers, communities, and the environment at a time when every penny invested really counts.

The approach is evident throughout our business plan - from our high-speed smart meter rollout that will support reductions to leakage, usage, abstraction, bills, carbon and wastewater discharge; to the nature based solutions we are implementing to address storm overflows which will reduce emissions, lower spills, increase biodiversity and save customers money.

## Poole to River Stour transfer - for people and nature

We are working with Bournemouth Water to explore a new water transfer that will carry high quality treated effluent from our Poole Water Recycling Centre via a new pipeline and wetland to the River Stour. The effluent will mix with the river water and travel 15km downstream before being abstracted at Longham Lakes alongside an existing intake and integrated into Bournemouth Water's supply system.

The transfer will supply an annual average deployable output of 12.5MI/d and a peak summer demand deployable output of 25MI/d.

Poole Harbour, where the treated effluent would otherwise be discharged, is a high conservation habitat, and will benefit from the reduction in nutrient load.



White Mill Bridge at Sturminster Marshall, River Stour

## Ensuring we can deliver

The programme of work we envisage for 2025-30 is on a far greater scale than we are used to. Wessex Water is not alone in this; the picture will be replicated throughout the water industry in AMP8, as companies scale up to deliver expanded customer and policy expectations.

We can take confidence in the fact that we have a track record of consistent delivery: we typically meet our targets and successfully invest c£1.5bn in our infrastructure at each price review. But we appreciate that our customers and regulators need to know we can commit to delivering more than double our previous investment.

This will be an unprecedented challenge and demands a creative response across all aspects of the business. We have worked on a strategy internally and in discussion with our suppliers and partners and can provide the following reassurances.

### Our model

We are unusual in the water industry in making limited use of main contractors. Instead, we choose to manage our own risk. We manage the high risk projects directly

and tender out the remaining c70% of work to smaller partners. This is a unique strength. We live and breathe delivery. We have a close understanding and lots of experience of what successful delivery takes at each stage, as well as of how to manage risk effectively and how to efficiently transact. This gives us confidence that we can hit the ground running and scale up rapidly.

### Our people

We currently have a 2,700-strong direct workforce. As our expenditure grows, we will focus on retention, development, building resilience and growth, at all times keeping people at the heart of what we do.

Alongside increasing our apprentice intake and expanding our academy, we will offer more industrial placements as a means of entry to permanent roles and craft a positive narrative around retraining and new careers as we seek to transition people with valuable skillsets from other sectors. Overall, we expect to increase our workforce by around 700 people.

We will continue to strive to increase the diversity of our workforce and to make everyone feel welcome and supported to thrive. In growing our workforce we will cast our net wide - from forging closer links with Bath and Bristol universities, to drawing on the global reach of our owner YTL.



YTL Wessex Academy will help train our new apprentices and graduate trainees

**70%**

of work tendered to smaller subcontractors

**+700**

employees to deliver the enhanced programme

## Our supply chain

As well as ensuring workforce resilience, we will bolster our supply chain. Our in-house delivery approach has enabled us to invest in the local supply chain and we are already working with existing sub-contractors to get them fully up to speed and onboard with our requirements, with open days and ongoing engagement. Their response has been very positive and feedback shows we are also well placed to attract new partners. Those we currently work with say we are a good water company partner, in part because we take ownership of our own risk. We will actively promote our investment expansion plans as a sustainable opportunity for suppliers to grow and thrive.

We are identifying the products and equipment we will need to fulfil our delivery plans through both traditional and creative routes. For instance, we are working with YTL to explore tapping into resources from Asia; this would enhance competition and reduce dependence on UK/European suppliers and give us access to new products, ideas and ways of working. This will be particularly useful for items that are in high demand in the UK.

## Getting ahead

Advanced work is already underway in many areas. These include process and asset reviews, electrical and mechanical surveys and forward planning. We are identifying and progressing land purchases where required as well as placing orders for anticipated power upgrades.

A particular concern is the risk that planning and permitting delays might cause. Our typical AMP7 scheme is valued at £5-10m and takes approximately two years to go through the planning process.

Our typical AMP8 scheme will be double that value, and our enlarged programme will come at a time when planning processes for all development are becoming more complex and demanding. To mitigate this risk we will fund dedicated resources within planning and permitting authorities to deal with our applications. These would operate entirely independently and at arm's length from us but would ensure our infrastructure is not delayed as a result of time or resource constraints.

## Off site build - multiple benefits from standardisation

From a small-scale trial at the start of AMP7 focused on standardising electrical infrastructure and building it in a factory setting, our off site build function has expanded so rapidly that we are now approaching capacity at the dedicated manufacturing facility we built in Salisbury. Our capabilities have grown to the point that we now offer the business a catalogue of standard products, extending to whole self-contained treatment plant, such as containerised UV treatment for supply sites or kiosk based ferric dosing.

Offsite build takes a product-based rather than project-based approach in fully standardising items that can be built in a factory setting. This product-based approach enables batch fabrication, templated designs, stock holding and other similar advantages. Before its introduction, items were fabricated individually on site according to short term needs, to varying designs and standards and sometimes in accordance with local preferences - typically occupying a considerable amount of site resource.

As indicated by its rapid growth, off site build has yielded benefit across all key indicators - safety, quality, time and cost. The use of a controlled factory environment is safer and delivers consistent quality products that benefit from standardised designs. This provides an opportunity to deskill the required workforce. Together, these elements increase yield while reducing cost and site installation time. Offsite build also provides various indirect benefits, including improved waste management, reduced carbon footprint per product and reduced vehicle movements.

In AMP8, we will expand our capacity in line with business requirements, designing and building more standardised products aided by greater visibility of long-term needs.





## Streamlining delivery through new ways of working

We cannot simply do more of the same in AMP8. In keeping with our wider innovation-centric approach, we are pursuing new and improved ways of working that offer greater efficiency and lower cost.

Supported by our wider IT transformation, we are innovating in the way we think and make decisions by deploying more data-based and digital techniques. In our construction and engineering functions, this includes through 3D modelling and harnessing the collaborative capabilities of site and project management software BIM 360. We are also changing how we build, notably by scaling up our highly successful off site build capacity. We are creating special smart sites, where we encourage innovation owners to plug their ideas in for testing and development.

In our operations, we are increasingly using technology to make the best use of our resources. One example is dynamic routing of individuals. As our staff and systems become more connected, we can become increasingly responsive as urgent work comes in, mapping the skills and locations of individual team members with the needs of the task in hand, and sending the closest and best person for the job.

## Innovation from others

Finally, we would like to encourage other stakeholders to work in partnership with us as we step up and stretch ourselves to deliver more than a doubling of our investment programme. We need them to be open-minded towards exploring new, supportive ways of working.

A good example concerns helping us provide certainty to our suppliers that enlarged work orders will be funded. By the beginning of 2024, we need to pre-book manufacturing slots and place advance orders, for instance for smart meter stock. At that point, we will not have our final determination for PR24 and will not have any guarantee that the required levels of funding will follow. We need to move forward together, at speed, to give us and our suppliers confidence to prepare decisively for a prompt start to AMP8.

In light of all of these actions, we are confident that this plan, while highly ambitious, is also deliverable.

## Financeability: risk and return

Alongside ensuring our ambitious and innovative plan is affordable for customers and deliverable by our teams and partners, we need to ensure we can finance it. It is imperative that we are supported by the right kind of investor who understands the importance of delivering for our customers and the environment for the long term. We are incredibly fortunate to have in YTL an investor who is committed to this approach. YTL has proved its commitment over the more than two decades it has been our owner.

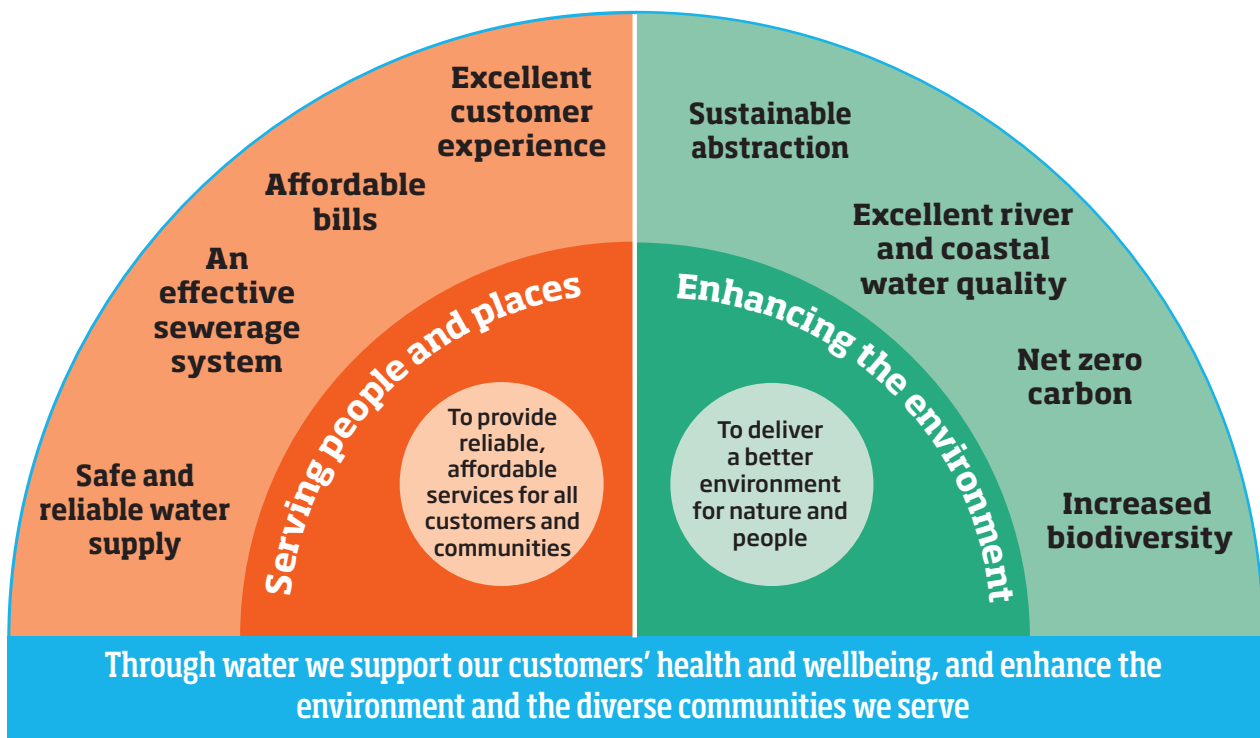
We appreciate the importance of financial resilience and know this is a priority for our customers and economic regulator. With the right return Wessex Water should be an attractive investment proposition. Our track record of forward planning and innovation, our ranking as one of the top performers among water companies, and our ambition to be the best, set us in good stead.

However, we recognise that the nature of the investment we are now proposing increases risk for investors. This relates to its scale, innovative and long-term nature, and because the construction phase of projects (which will constitute a higher proportion of overall investment at PR24) has higher systematic risk than the operational phase, and thus requires a higher rate of return.

Moreover, investors are facing increased risk from the regulatory approach to PR24. There appears to be a greater amount of risk allocated to companies, as well as a greater degree of asymmetrical downside skew to risk. Investors' expectations of the balance of risk have also been affected by Ofwat's response since PR19 in making limited allowances for force majeure events, notably the Covid pandemic and Russia's war on Ukraine.

To secure the scale of investment we need, it is essential that the regulatory regime allows us as an efficient, well-run company to make a reasonable return and to attract the right kind of responsible long-term investment. Otherwise, we will not be able to ensure we have the financial resilience needed to support the ambitious plan our customers want and the environment needs.

# How we will deliver for our customers, communities and environment



**This business plan is built around eight outcomes; the same eight outcomes we targeted in our Strategic Direction Statement to 2050. The following sections set out how we will take the first steps in 2025-30 towards delivering our long-term ambitions, outcome by outcome.**



# Water supply: caring even more keenly for a precious resource

Our catchment management team will work with landowners on sites with high nitrate levels

Taking less water from the environment, while increasing supply resilience and maintaining excellent water quality for customers



**Outcome:**  
Safe reliable water

The provision of a high quality, reliable supply of water to customers' taps

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**In delivering safe and reliable water we will:**

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Upgrade 10 water treatment centres to improve resilience and water quality

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Implement enhanced catchment management at 10 high risk nitrate sites

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Continue our lead pipe replacement programme

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Target a score of 0 for our compliance risk index by 2030

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Keep water supply interruptions at no more than an average of 5 minutes per property per year compared to 4min 10secs in 2022-23

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We have an excellent track record on both drinking water quality compliance and interruptions to supply. Customers have told us they are highly satisfied with our performance in these areas. While we will continue to progress towards our 2050 goals - 100% compliance with drinking water standards and no supply interruptions longer than three hours - we have taken a highly targeted approach to investment on this outcome, mindful of pressure on bills.

We will invest in upgrading 10 of our water treatment centres. This is driven by the twin goals of increasing resilience and safeguarding water quality.

We will address single points of failure to increase our flexibility in maintaining supply, particularly at treatment centres that supply major populations.

Preventative solutions are more nature-friendly than treatment options, and help keep costs and bills down for customers. We have long worked with land management partners to protect raw water sources, and in AMP8 will adopt enhanced catchment management practices at a further 10 high risk nitrate sites.

We will install UV disinfection to guard against bacteriological water quality failures in line with updated Drinking Water Inspectorate standards. Some additional treatment solutions will be built where our source water is particularly nitrate rich. This will support our activities to manage water catchments to reduce the need for treatment.

We also plan to replace 6,000 lead pipes from our network and to provide grants to support our customers to remove lead in the pipes that run to their properties.

Elsewhere on our water network, we will harness innovations to repair and rehabilitate pipes while minimising the disruption to customer supplies. We carry out hundreds of smaller jobs, for instance, where we can use vacuum excavators or low intrusion service pipe replacement techniques that will stop streets needing to be dug up as extensively. This is safer for our staff, a lower carbon option and typically lower cost.

More generally, while we already have a good level of monitoring and oversight of the water network, we intend to put our data to work more effectively. By combining insights from different data sources that have hitherto not been joined up – flow, pressure, noise, weather and so on – we can build a richer picture and move onto a more predictive footing. By integrating data from our catchments, treatment centres and networks more closely, we can maximise opportunities to better manage water quality and quantity.

## Replacing lead pipes without disrupting the community

Using the Kobus Pipe Puller, we are able to replace lead service pipes without digging a trench. The technique involves feeding a high strength steel pulling cable through the old lead pipe, via a small footprint launch pit. The Kobus Pipe Puller at a small reception pit uses the cable to pull out and spool in the old pipe, and tow in a new polyethylene service pipe behind it.

The technique is fast, safe, cost effective and environmentally friendly. It limits disruption for the local community and reduces the risk of us striking other utility infrastructure underground.

# 6,000

lead pipes replaced

# 10

Water treatment centres upgraded



Refurbishment at Durleigh water treatment works, near Bridgwater



## Outcome: Sustainable abstraction

Ensuring we have enough water to meet the needs of people and nature for the long term

Smart metering is central to our plan

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### In delivering sustainable abstraction we will:

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Roll out smart metering to 40% of our customers, with wrap around engagement to reduce their water use

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By 2030 double our rate of mains replacement

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By 2030 reduce leakage by a further 5% to 60.3MI/d from our forecast of 63.8MI/d in 2025

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Support our customers to reduce household water use by a further 3.8% from their 2022-23 levels

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By 2035, demand is likely to outstrip supply in our area. While population growth and changing weather patterns are partially responsible, the main driver is a need to take 16% less from the water environment under incoming abstraction licence changes, to help improve its health and ability to support life. This is particularly critical in our Hampshire Avon chalk catchment, which hosts globally rare habitats.

Our primary response as set out in this plan is to progress an ambitious strategy to reduce water wastage and unnecessary water usage. This will set us on the path to achieving government expectations to halve leakage and reduce personal consumption to 110 litres per person per day by 2050, and the new Environment Act target to achieve a 20% reduction in distribution input by 2037-38.

Reducing demand is the lowest cost and potentially the quickest-to-deliver option to ensure security of supply, given water resource development schemes have a minimum ten-year lead time. However, it is challenging to orchestrate, and alone will not be enough to safeguard water for all. In AMP8, we will also therefore be progressing a number of new water supply schemes.

60,000

homes visited through our home check programme

16%

less water taken from the environment

## A rapid smart meter rollout

The centrepiece of our plan to support demand reduction is an £86m roll out of smart meters to 40% of our household and non-household properties by 2030, and 95% by 2035.

The priority areas for smart metering will be in our most water stressed region - the Hampshire Avon and areas connected to it via our water grid.

We will conduct the smart rollout on an area-by-area, street-by-street basis to optimise efficiencies in the cost of communication infrastructure and meter installations. This approach will also provide the opportunity for efficient community engagement. 70% of our customer base is currently metered, so for many this will involve an upgrade from a basic meter, which we typically read twice a year, to a fully connected smart meter that automatically provides hourly consumption data around the clock.

We have scrutinised the experiences of other water companies, chiefly Thames Water and Anglian Water, who have been early movers in this space. Based on that, we envisage the key benefits will be in identifying leaks from customer supply pipe losses and plumbing, as well as network leakage. Consumption data of unprecedented frequency will enable us to identify continuous flow, and to target our leakage resources accordingly. We aim to save 1.5MI/d from leakage reduction, with a smaller saving on top from customers changing the way they use water. This rollout of smart meters will also enable us to trial innovative new tariffs that create the right environment and incentives for customers to further reduce their water use.

We will support the realisation of this ambition by doubling the number of water efficiency visits we currently conduct, and extending them to non-household customers, focusing on domestic type usage (for instance, fixing leaky loos and supplying water efficient devices for taps and showers). We restarted our non-household programme last year, beginning with schools, and will scale this up in AMP8, cognisant that c30% of the water we put into supply is consumed in the commercial sector. We plan to visit 84,000 properties by 2030. We already target the highest users with these visits but will be able to do so more quickly and accurately with smart data.

In addition, we are exploring how best to inform customers about their water usage volumes and patterns. This will be developed through an app, which will provide a new opportunity for us to engage with customers. We plan to layer services into this digital environment, to offer customers a one-stop-shop for everything from affordability support to reporting a leak or booking an appointment. In all, we plan to reduce the average 145 litres per day currently used by a Wessex customer to 135 litres by 2030. This will save metered customers money on their bills as well as protecting the water environment.

There will also be indirect benefits from our smart programme, including carbon savings from having fewer vehicles on the road and reduced water treatment/pumping, and reduced volumes flowing to the sewers.

## Network leakage

We must reduce leakage from our pipes, and are targeting a 3.5MI/d reduction by 2030.

To help achieve this, we are doubling our rate of mains replacement, from 0.2% a year to 0.4%. We would like to go further and intend to in future but are mindful of bill impacts at this difficult time.

We will concentrate therefore on two strands of activity:

- Reactive work, to find and fix more leaks more promptly. We will use a suite of techniques as this is inherently challenging given we have 13,000km of main, and the situation is aggravated by increasingly extreme weather conditions, as well as conflicting objectives including to reduce carbon and minimise supply interruptions.
- Developing predictive capabilities. Using increasingly sophisticated analytical technology, fed by the growing number of data points in our network (including smart meters), we will increasingly seek to forecast and prepare ahead for leaks.

# 250,000

smart meters installed

# 5%

further reduction in leakage  
from our 2024-25 forecast

## Leakage forecasting and prediction

We have created an early concept stage model which uses historical results to forecast future requirements. The model analyses the relationship between night flows on the network and reported leakage levels to establish area-based volumetric targets for our field teams to attain.

We are now working to expand the model to analyse multi-variable relationships inclusive of wider components known to impact leakage levels, such as rainfall, soil moisture deficit, sunshine hours and seasonal demand.

Once good relationships are established, the aim is to cross reference data at a District Metered Area (c.1000 connections) level to establish if certain criteria result in a predictable leakage outcome. This would enable us to get on the front foot and be on hand to find and fix leaks more quickly.

At a strategic level, the model could enhance future leakage planning and investment strategies.

## Supply side schemes

Our water supply grid is already enabling us to transfer water to where it is needed most and to reduce the need for river abstraction in sensitive areas. In AMP8, we will design and develop new in-area transfers to increase our options, including to move water around to offset abstraction licence reductions. Investigations under our Water Industry National Environment Programme (WINEP) will provide more granular information on the volume of licence changes needed by 2035.

We'll work with our neighbouring water companies to investigate supply side options to meet remaining deficits. The flagship projects we are collaborating on are:

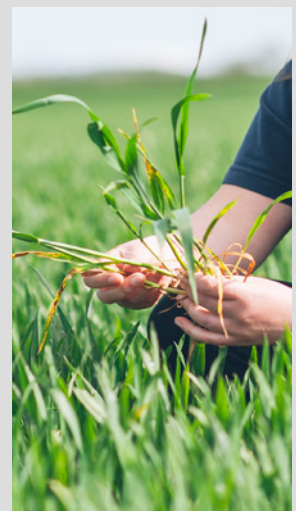
- **Poole to River Stour transfer** - we will transfer highly treated effluent from our Poole Water Recycling Centre via a pipeline and a wetland to the River Stour, for subsequent abstraction by Bournemouth Water.
- **Mendip Quarry reservoir** - we have identified several quarries in the Mendip Hills that could be repurposed as a reservoir once they are decommissioned. The reservoir would be fed by a combination of groundwater and surface water from an enhanced River Avon abstraction licence. We are one of several companies that could potentially benefit from a subsequent transfer.
- **Cheddar Two reservoir** - the construction of a second reservoir at Cheddar, which Bristol Water would fill from the Cheddar Springs and the River Axe and treat before transferring it to a service reservoir in the east of our region.

## A final effluent matrix - developing non-potable alternatives for business users

Water use tends to spike on hot summer days, as people shower more, try to keep cool and water their gardens. These summer peaks bring cost and network strains and sometimes it can be challenging to meet demand quickly enough, even if water resources are plentiful.

In collaboration with the Environment Agency, we will test the provision of alternative, non-potable water derived from treated wastewater effluent for land-based use during summer peaks - for instance, to water golf courses or nourish crops. We could offer this alternative supply to such customers during prolonged dry weather. It could be both a lower cost option and a more reliable supply, while reducing peak potable load for the benefit of all users.

With the Environment Agency, we are developing rules to govern the safe use of recycled wastewater effluent on land: a Final Effluent Matrix to mirror the Safe Sludge Matrix that governs sludge-to-land practices. This could set out, for instance, which use cases require UV disinfection and which don't, and specify that reuse should be within the catchment to which the effluent would usually be discharged, so as not to deprive rivers of flow. We will be piloting the idea in summer 2024.







**Wastewater:**  
delivering better  
outcomes for  
rivers, seas and  
water users

Tackling storm discharges,  
water quality and pollution,  
and supporting new  
recreational waters



**Outcome:**  
An effective sewerage system

Reducing the impact of storm overflows and sewer flooding

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**In delivering an effective sewerage system we will:**

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Increase investment in reducing storm discharges reducing the spills at a further 100 sites

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Using nature-based wetland treatment solutions for 38 groundwater-induced storm overflows

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By 2030 reduce internal sewer flooding to 1.19 incidents per 10,000 sewer connections from 1.31 in 2022-23

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By 2030 reduce external sewer flooding to 13 incidents per 10,000 sewer connections from 17.83 on 2022-23

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Untreated sewage should stay in our system until it is treated. It should not spill into homes, or be released to rivers and seas, even at times of pressure on the system. By 2050, our ambition is to completely eliminate storm overflow discharges and to halve the impact of sewer flooding on customers.

In 2025-30, we will increase our current level of investment in reducing storm spills to waterways to over £6m a month, £400m over the five-year period. This will reduce spill frequency by over 80% at the 128 overflows at which we will implement a scheme.

By 2050 and in accordance with the government's Storm Overflow Discharge Reduction Plan, we will reduce discharges to a maximum of ten per year per overflow; this will be lower where overflows are found to be causing ecological harm, once a metric for that is agreed. We need to prioritise investment in overflows to bathing waters, shellfish waters, chalk streams and designated environmental sites; all but 9 of our 128 AMP8 improvement schemes are for such waters. Our plan will ensure 75% of these priority overflows are brought up to standard by 2035.

In carrying out these upgrades, we will prioritise nature-based solutions wherever possible. For around a third, we will use low carbon, nature-rich wetland treatments. For most of the rest, we will need to use storage and treatment solutions to meet the required standards in the specified time and without the regulatory clarity on how schemes will be assessed and how permits will be set. We hope to receive this information as soon as possible.

In the longer term, we believe separating rainwater from foul water at source will be essential to stop combined sewers being overwhelmed. We start with two principles: that rainwater should be treated as a valuable resource and used as near to where it falls as possible; and that it should be returned to the environment as close as possible to where it landed. We will be implementing a small number of separation schemes in AMP8 and are enthusiastically exploring how best to work with our customers and communities to achieve this, including through our Rain Savers trial.

We recognise that internal sewer flooding is one of the worst things that can happen to anyone and we already have one of the lowest rates in the water industry but will stretch ourselves to do even better, cognisant of the impact sewer flooding can have on customers. We

intend to reduce the rate of internal sewer floods – those that happen inside homes and businesses – to 1.19 per 10,000 connections by 2030 from 1.31 in 2022-23. On external sewer floods – those outside of properties – we will reduce the rate to 13.00 from 17.83 per 10,000 connections in 2030.

We plan to: survey our network to proactively find pipes that need repair or replacement; reduce the amount of rainwater entering the system; increase sewer capacity where there is new development to cater for; and raise awareness among customers of behaviours to avoid that cause blockages. We are also very keen to harness opportunities presented by data, analytics and artificial intelligence to detect and prevent problems that can result in sewer flooding.

## Wetland solutions for our groundwater overflows

Many of our most frequently spilling and longest duration storm overflows are found in groundwater catchments. When groundwater levels are high, hydraulic pressure can cause water to infiltrate through tiny cracks in the network, overwhelming its capacity and causing it to overflow. The discharge, largely groundwater, is often cleaner than the river that receives it, but this is still counted as a spill.

We can use innovative relining techniques to help prevent infiltration on the c.30% of pipes that we own, but we have no power over the remaining 70% of the network that is owned by householders and businesses.

It would be inappropriate in terms of both bill impact and environmental consequence to build expensive, carbon-intensive storage and treatment solutions for such highly diluted wastewater. Our approach, which we will deliver at 36 of our 128 AMP8 overflow schemes, is to build wetlands to treat discharges from groundwater-induced overflows before they reach the watercourse. This is a much cheaper, low impact option that also has many positive benefits for biodiversity and potentially, community amenity and wellbeing.

Groundwater-induced storm overflows should be reclassified as permitted treated discharges. That would reduce untreated discharges to zero, and our overall numbers by around 25%.



Shrewton reed beds

**£6.6m**

a month invested in reducing spills

**128**

storm overflow improvement schemes

**25%**

reduction in sewer flooding incidents from 2022-23

## Rain Savers - household scale rainwater management

We are running a project in Chippenham to test customer appetite for, and to measure the benefits of, household level rainwater management.

We have recruited 200 Rain Saver households where we have enhanced our water efficiency home check and fix service to also include the installation of a water butt and, where possible, a means of keeping the rainwater collected out of the sewerage system altogether - for instance, a rain garden or permeable soaker hose which distributes the water collected around the garden.

We are just entering the evaluation stage, but Rain Saver customers have shared that the experience has been very positive, and the concept makes sense. The idea has a lot of potential for helping customers to see themselves as part of the water cycle and to understand that what they do at home matters.

Even though the scale of the trial has been small, we have learned a lot about customer sentiment; the suitability of homes for the installation of different types of rain management infrastructure; the associated costs; and how the cost/benefit position compares with alternative approaches such as centralised attenuation.

Emerging findings suggest we will need a portfolio of options for household scale rainwater management, so the most suitable solution can be found for each situation - depending on factors including garden size and type, customer engagement level, customer preferences and customer behaviours. We will refine our offering on the back of the final findings and re-engage to learn more.



## World Sewer Operators - founding a global expert network

Wessex Water will be a founding member of World Sewer Operators (WSO), a peer-to-peer community for the world's major sewer networks. We are working with the Institute for Underground Infrastructure (IKT), to devise and develop WSO programmes and guide the recruitment of participants, with a view to rolling out the network through 2024.

Wastewater, urban drainage, and water networks should be efficient, resilient, sustainable, compliant and climate change adapted. WSO will provide a new way of working, through global peer-to-peer expert engagement that is confidential and free from commercial interest. This should lead to the identification and implementation of new approaches, collaborations, and technologies, yielding operational, compliance and financial benefits.

We have a track record of leadership in this space, having founded the Sewer Rehabilitation Contact Group for UK operators with IKT in 2014 and participated in the European ComNet Wastewater group.



Rainwater separation scheme at Portland Bill, Dorset

## Outcome:

Excellent river and coastal water quality

Reducing pollutions and ensuring rivers and seas are safe, healthy environments for everyone to enjoy

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### In delivering excellent river and coastal water quality we will:

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Deliver a major nutrient-reduction programme, preventing 1,500 tonnes of phosphorus and nitrogen from entering rivers and seas

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Provide real-time and predictive quality data to water users

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Be green on the Environment Agency's serious pollution target

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By 2030 reduce overall pollution incidents from 31.48 per 10,000km of wastewater network in 2022-23 to 15.7 per 10,000km by 2030

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Rightly, people expect water companies to do more to support river wildlife, ecology and public amenity. We are absolutely committed to playing our part in meeting these expectations and will spend over half our entire AMP8 budget (£2bn) on delivering this outcome for customers and the water environment. This will help us towards our 2050 objectives to have restored the quality of our rivers and coastal waters, and completely eliminate all pollution incidents we are responsible for.

As with our wider business, we have based our 2025-30 delivery plan for this outcome on sound science, evidence, and data. We understand the level of interest in and concern about river health, and pledge to work constructively and transparently with water users and other stakeholders. We will make our data available and accessible; and continue to fund expert research from PhD students and research councils.

### Unlocking housebuilding through major investment in nutrient reduction

A significant portion of our spending, £900m, will be used to reduce nutrient levels - chiefly phosphorus but also nitrogen - in our treated wastewater discharges. Excess nutrients in waterways are harmful to habitats and wildlife. The government has made an amendment to the Levelling Up and Regeneration bill that will place a legal duty on water companies to remove nutrients through upgrades to wastewater treatment works or catchment approaches in nutrient-heavy catchments. The total volume of nutrients removed must be equivalent to all our medium and large works delivering nutrient pollution standards of 0.25mg/l for phosphorus and 10mg/l for nitrogen by 2030. 43% of our area is covered by these rules - a higher proportion than any other water company. If the amendment becomes law, we will need to conduct an enormous programme of work redesigning and upgrading our water recycling centres in affected areas. This requirement is being considered to unblock a

housing backlog as a result of the extra nutrients new homes contribute to rivers and coastal waters. We have proposed a solution that aligns with the government's recent positive amendments to allow catchment permitting and catchment approaches so that we can keep costs and carbon as low as possible and do the right thing for the environment.

We will have to use traditional treatment solutions for the most part, because these provide the certainty of outcome demanded by legislation. Wherever possible, we will incorporate catchment and nature-based solutions such as reed beds.

We have worked with Defra, the Environment Agency, and Natural England to pioneer innovative permitting that would allow nutrients to be balanced at catchment scale. This reduces costs and increases flexibility.

In all, our investment will prevent 1,400 tonnes of phosphorus and nitrogen from entering rivers and seas by 2030, which will enable developers to build many much-needed new homes in our area.

## Catchment permitting approach

We have secured agreement from the government, Environment Agency, and Natural England to meet our nutrient reduction requirements at catchment level, rather than at sewage treatment work level or at waterbody level. This will give us significantly more flexibility over how we meet the standards, for instance, enabling us to make greater reductions through treatment at some sites to enable nature-based solutions at others as well as saving £150m.

The catchment approach will also prevent thousands of tonnes of capital carbon from being emitted and save hundreds of tonnes of carbon a year through operations. In addition, we intend to ensure our plans build in benefits on top of the phosphorus reduction required, including nitrogen, E coli and other contaminant reduction and biodiversity net gain.



River Avon, near Bristol

## From data to information: our transparent and practical approach

We are using digital approaches to inform stakeholders about the operation of our assets and to provide useful data in near real time. We will be publishing contextualised maps of our storm overflow monitoring data and layering in water quality data from hourly monitoring of dissolved oxygen, pH, turbidity, ammonia and temperature upstream and downstream of our wastewater assets when that becomes available. Based on the current draft of the guidance we will install nearly 500 water quality monitors at our high priority sites by 2030, with the remaining 1,400 to be in place by 2035.

We are investigating the best options for this and want to future-proof our investment by layering in the ability

to monitor bacteria and nutrient parameters as well. We may adopt different approaches in our four catchments to assess costs and relative performance.

We are very keen to gain insights from citizen scientist data and from combining such data with our own. As a first step, we are working with the Bristol Avon Rivers Trust which hosts our Wessex Water Guardians programme to share our relevant datasets on its citizen science site. This should be mutually beneficial, offering richer datasets for all. If the initiative is successful, we would roll it out with other Rivers Trusts in our area.

We have already seen the power of combining datasets for water users at Warleigh Weir, a popular bathing spot near Bath. In a successful trial, we installed multiple water quality sensors at the site and at 30 locations

in the catchment. We combined these readings with other datasets including on rainfall, river flow and the operation of our sewer network gathered by our Storm Harvester sensors. Using artificial intelligence, we have been able to determine bacteriological water quality with 96% accuracy. This is fed to Warleigh Weir users via an app, which is updated every 30 minutes, providing information to help swimmers assess both safety (flow and temperature) and health (water quality) risks.

Similar monitors are now in place at Bristol harbour, Poole harbour, Bournemouth and Boscombe piers

In AMP8, we intend to create similar apps for around 20 other river recreation sites that we will support the development of. We have identified around 50 popular local bathing areas and are engaging with their users to understand whether there is interest in formalising them as river recreation sites. Where we find an appetite, we will support the process with water quality monitoring and an app, similar to the one for Warleigh Weir.

We are also exploring ways that we could use data to proactively support other water users - for instance, shellfisheries.

### Early warnings for oyster fisheries

We have applied a similar approach to that pioneered at Warleigh Weir - combining datasets to provide water users with useful, practical information - to businesses operating around Poole Harbour.

The key health risk for oyster fisheries is norovirus, which can be transmitted when storm overflows discharge untreated sewage and stormwater. This can result in oyster businesses having to temporarily cease operation. Meanwhile, E.Coli is the primary public health issue for bathers.

We are tracking the incidence of both through the system - in the case of norovirus, for example, we are monitoring levels in the coming in to and leaving our water recycling centre; levels in the harbour; levels in the oysters; and incidents in the community. Using AI, we have established that certain combinations of circumstances are likely to lead to a heightened risk of norovirus transmission. We will be able to notify the fisheries six to 12 hours in advance, arming them with information on which they can make operational choices, particularly to avoid the reputation and financial costs of having to recall products.

Through similar E coli tracking, we are able to provide alerts to surf schools, water sports hire businesses and bathers, enabling them to proactively plan their schedules.



Poole Harbour

£900m

spent to reduce nutrients from entering rivers and seas

1,400

tonnes of phosphorus and nitrogen prevented from entering rivers and seas

12,000

additional network monitors installed

## Cutting pollutions: monitoring and prevention

We will strive to reduce pollution incidents, cutting the number we are responsible for by a third by 2030 on our journey to zero pollutions by 2050. We have analysed our pollution incident data and created a purely data-driven Pollution Incident Reduction Plan. This combines asset renewal and maintenance activities - for instance, a programme to replace or refurbish inlet screens - with customer and community engagement, such as sewer misuse campaigns for the public in blockage hotspots.

Enhanced wastewater network monitoring will also be key. We have already seen huge benefit from the rollout of Storm Harvester sensor technology to 1,300 monitors installed throughout our sewer network, and the application of intelligent analytics to enhance asset monitoring and anomaly detection. This has helped us identify problems early and we have seen a significant reduction in pollutions caused by blockages around storm overflow monitoring assets.

By 2030, we will install 12,000 more devices in a large-scale deployment of network monitoring including in tanks, syphons, flow control chambers and pollution hot-spots. This will give better coverage to detect issues, as well as enable us to implement more condition-based maintenance across the sewerage network. We are also considering using Storm Harvester to monitor water recycling centre storm tank compliance and to provide pump analysis of sewerage pumping stations.

Increasingly, we also plan to create smart systems which link up our treatment and network intelligence, enabling all of our assets to work more effectively together. We will begin with a trial catchment, harnessing and combining Storm Harvester and CCTV information with external sources such as weather data and AI.

Potentially then we could manage flows throughout the network - for instance, draining down a catchment to increase capacity ahead of a storm. Ultimately, we intend to replicate the centralised 'control room' approach we use on the clean water side of our business to the wastewater side, layered with predictive and analytical tools.

Amidst the technology, we are also keen to try tactical, low-tech ideas. For instance, learning from Sydney Water, we are trialing the use of detection dogs to track down misconconnections and pollutions. Sydney Water reported a \$14m saving and faster results compared to human or CCTV detection.



Smart systems will link to our network intelligence such as Storm Harvester and CCTV





# The wider environment: nature revival, net zero and the circular economy

Cutting carbon, supporting biodiversity and pioneering productive uses for waste

Cromhall wetland



**Outcome:**  
 Net zero carbon

Decarbonising our business, and our contribution to the wider net zero and circular economy agendas

Reed beds at Chilcombe Bottom  
 picture by employee Hannah Wheeldon

**In delivering net zero carbon we will:**

Achieve net zero operational carbon emissions

Continue to work towards full net zero by 2040

Ensure 70% of our vehicles have access to charging infrastructure

AMP8 will be a key milestone in our journey to completely decarbonise our business. We are targeting net zero operational carbon emissions by 2030 - tackling all of the emissions we generate in running Wessex Water. By 2040, we intend to be fully net zero, including the carbon emitted when we build new assets and that related to the manufacture and delivery of goods we use, such as chemicals and IT. The challenge is intensified by the fact that reaching our parallel ambition for a healthier water environment will result in higher energy consumption in our operations and the creation of emissions through capital works.

Our strategy for 2025-30 includes pursuing greater energy efficiency in our operations and further increasing our use of renewable electricity. We will also be exploring the best way to reduce emissions from our vehicles. We are investing in fast charging, ensuring 70% of our vehicles have access to charging points on our sites by 2030. We continue to explore options for transitioning our whole fleet, with options including joint procurement of electric vehicles with external partner companies to drive down costs and exploring hydrogen options with JCB for our heavy vehicles.

Our interest in hydrogen goes beyond that. We are keeping a close watch on policy developments, cognisant that our business produces a number of materials important for hydrogen production, including water (or potentially final effluent) and biomass (sludge).

More widely, we are active in building our understanding of options and opportunities in this ever-changing field. Through research and data analysis, we are, for example, working to quantify nitrous oxide and methane emissions, with a view to identifying effective controls. We are also increasingly building whole life carbon data into decision-making.

**70%**  
 of vehicles will have access to charging points

Our wider strategy to deploy nature-based solutions wherever possible instead of grey infrastructure will support our embedded carbon reduction journey and provide sequestration benefits.

### Future-proofing bioresources routes

All of the residual material left over at the end of our wastewater treatment processes is currently recycled to land. While there are no immediate plans for this to change, we are conscious of three important factors that threaten this route in future.

Tighter environmental regulations, the growth in biosolids volumes, and more extreme weather patterns caused by climate change suggest that by 2035, there may be insufficient land available to receive all of our output.

There is heightened public interest in and concern about micro pollutants such as micro plastics in biosolids. These enter the sewer system through a variety of routes, including from road run off and when we wash our clothes. Current wastewater treatment processes were not designed to remove micro plastics or 'forever' chemicals such as PFAS. Potentially this concern could mount to the point that water companies are no longer allowed to spread sludge on land at all.

Given the significant uncertainty in this area we will mitigate our risk by maintaining our current strategy until there is more clarity about the future national strategy. We have begun an investigation into advanced thermal version technologies which have not been tested at scale in a UK waste water setting yet; a successful trial will help to future proof our bioresources disposal routes and provide multiple benefits, including treating micro contaminants; safeguarding against high emissions incineration; and creating high value new products such as biochar, hydrogen or ammonia - some of which could help the sector achieve its net zero goals

We will comply with our AMP8 Water Industry National Environment Programme and build seven sludge barns.

### Industrial Emissions Directive

Regulation expects us to comply with the Industrial Emissions Directive (IED) by the end of 2024. This is challenging practically and financially: compliance requirements are evolving and funding did not form a part of our PR19 price settlement because news came late on that water companies were captured by the legislation.

The water industry has proposed a staged approach to IED implementation, with any significant asset replacement and upgrade schemes forming part of AMP8. Ofwat has issued a data request to enable it to assess whether to provide funding and/or an uncertainty mechanism to allow the recovery of some implementation costs for compliance with the directive as part of PR24. We hope this can be factored in to our settlement as we will need to conduct work to contain spills and emissions at our five anaerobic digestion sites and our two new liming sites, and to carry out asset replacements and upgrades.



Weymouth water recycling centre  
picture by employee Bradley Wilks

### PFAS chemicals: an emerging concern

We have been monitoring for PFAS since 2021 but intend to expand this work in AMP8 in response to growing public concern and to prepare for potential regulatory changes.

We will fund research at Bath University into PFAS sources, breakdown products, the relationship between PFAS and other factors such as weather, currently available treatments, and potential treatment options.

We are seeking low carbon treatment options that would protect public health but have a limited impact on the environment.



**Outcome:**  
Increased biodiversity

The contribution we can make to supporting the variety of plant and animal life in our region

Wildflower meadow picture by employee Sarah Williams

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**In delivering increased biodiversity we will:**

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By 2030 improve the biodiversity of 716 hectares of land, prioritising protected habitats

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Deliver an extensive wetland construction programme

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Develop a Land Strategy and update and continue to deliver our Biodiversity Action Plan

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For a water company, we are a small landowner. We own 3,000 hectares across Wiltshire, Dorset, Somerset and South Gloucestershire, 300 hectares of which is designated as Sites of Special Scientific Interest (SSSI) where protected species such as water voles, saltmarsh plants and ground beetles live. We try to maximise opportunities for nature despite our relatively modest size.

We were the first company to publish a Biodiversity Action Plan in 1998 and currently manage more than 40% of our land for nature. Crucially, we also take part in four catchment partnerships - Bristol Avon, Dorset, Somerset and Hampshire Avon - which bring different organisations together to make environmental improvements at scale. We have engaged with almost 200 land managers across the region and together have delivered environmental outcomes such as improving 20 SSSIs covering 280 hectares.

Our customers have told us they expect us to do even more in the face of the biodiversity crisis and their concerns about damage to the natural world. By 2050, we are aiming to double our contribution to the region's biodiversity on our landholding. Using the government's biodiversity metric, we have surveyed our land and are taking actions over the next 5 AMP periods which will yield an additional 1,000 biodiversity units each AMP, with an increase of 5,000 units by mid-century from our current baseline of 14,000 units.

Between 2025 and 2030, we plan to improve the biodiversity of over 716 hectares, prioritising land that contains or neighbours priority habitats for protected species. Our Water Industry National Environment Programme contains plans to create around 200 hectares of additional habitat and to investigate options for peatland restoration, with a mind to implementing the best options in a future AMP.

We will develop a Land Strategy and update our Biodiversity Action Plan to reflect our renewed vigour.

We will also seek to boost biodiversity as we conduct our wider activities. For instance, nature-based solutions, such as the wetlands we are creating to treat groundwater-induced storm overflows, will typically support wildlife and provide habitats on top of delivering their central water quality improvement purpose.

Where we work with farmers in catchments to offset nutrients, we typically add funding on top to secure biodiversity benefits. For example, when we pay for arable reversion to grassland, we ensure the grassland is nature rich to support pollinators. Where we fund barriers to separate livestock from watercourses, we prioritise hedgerows over fences.

**716**

**hectares of improved biodiversity**



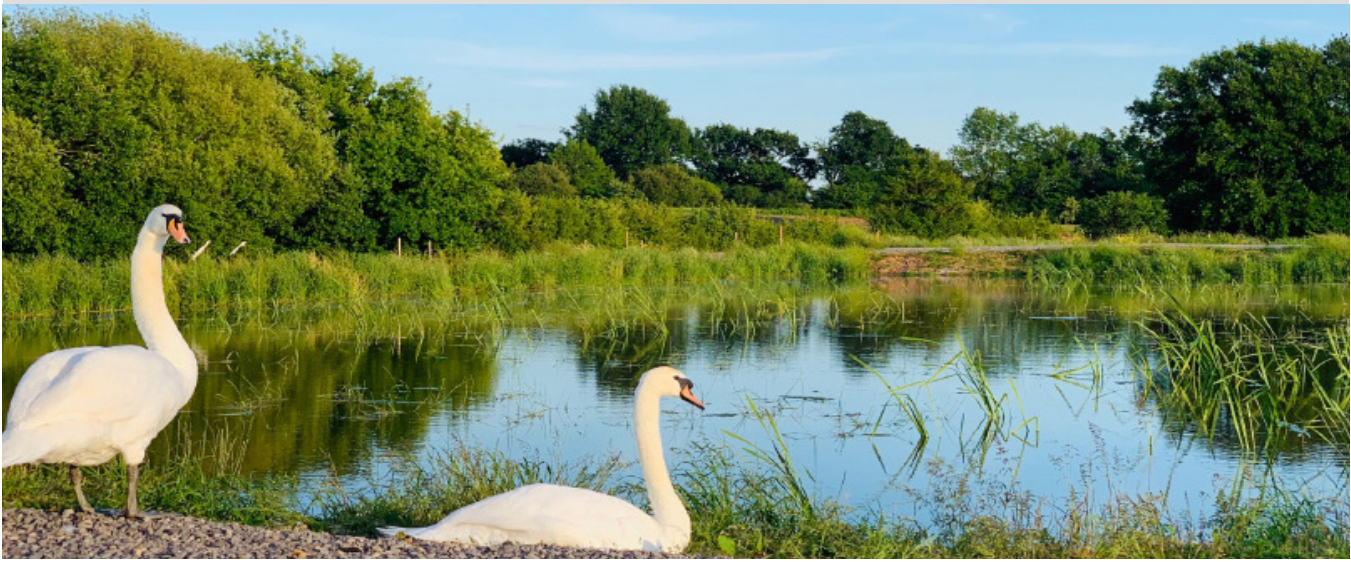
Ecology survey at Nutscale reservoir  
picture by employee Holly Francis

**Cromhall** - lessons for our AMP8 wetland construction programme

The Cromhall Water Recycling Centre is a small, rural works in southwest Gloucestershire and home to our first integrated constructed wetland for wastewater treatment. Modelling suggested stricter permitting would be required at the site to achieve water quality targets under the Water Framework Directive. The modelled permit included a 3.0mg/l total phosphorus limit.

We created a 12-cell wetland treatment system - a lower operational cost, greener alternative to a traditional, chemical-based approach.

The wetland has been operating since 2020 and effectively reducing phosphorus, nitrogen and bacteria while developing a strong biodiverse ecosystem. We continue to monitor its performance for treatment. We have learned significant lessons for the design and construction stages and continue to understand operational optimisation and maintenance. This has informed our significant programme of wetland construction for 2025-30.



# Bills and customer experience: affordability, satisfaction and inclusion



Always going the extra  
mile and providing  
affordable water for all

# Wessex

## Outcome: Affordable bills

Ensuring everyone has affordable access to water services

### To ensure affordability we will:

Eradicate water poverty for our customers

Expand our financial support programme to help 140,000 households, and making it easier to apply

Mitigate price increases by embedding innovation and efficiency throughout our plan

We have pledged to eradicate water poverty by 2030, based on the principle that a customer's water bill should be no more than 5% of their disposable household income after housing costs. We want to be clear in the context of this business plan - which sets out a twofold increase in expenditure - that we redouble our commitment to that pledge. Everyone needs affordable access to water.

As emphasised throughout this document, our primary strand of action to reduce pressure on bills in 2025-30 is to champion efficiency and innovation across every area of the business. We are confident that our strategy ensures bills are no more than they need to be, to fund top quality outcomes within the context of the current regulatory framework.

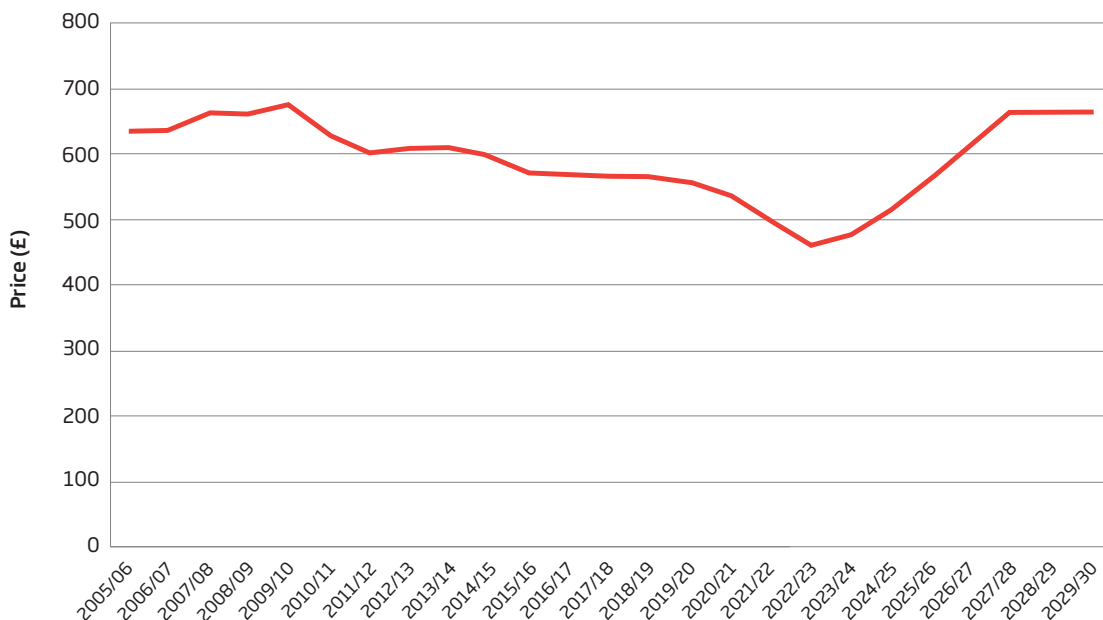
Nonetheless, it will be impossible to more than double our spending on ambitious environmental and customer outcomes without increasing prices. Our preliminary assessment is that average water bills will need to rise by £13 a month, or £150 a year before inflation, by 2030. Whilst this will mean bills are lower in real terms than they were 15 years ago, we know this will be incredibly

challenging for many of our customers. Not least given other growing pressures on household budgets and we know that without assistance, some will not be able to afford to pay.

For that reason, we will increase the number of households who receive support under our industry-leading Tailored Assistance Programme to around 140,000. This is an extensive and varied package of help that we match to customer circumstances. It features lower rate social tariffs, payment breaks, flexible payment plans, debt support, and metering and water efficiency services. Some customers pay just 10% of full charges.

For 2025-30, we will strive to make it easier and quicker to apply for help, including by using data sharing arrangements to automatically apply bill reductions where possible. We will adjust our offerings, to ensure they keep pace with the reality of hardship during the cost of living crisis - for instance, we are exploring how to use fintech tools to improve digital access for newly struggling customers.

Real (22-23 prices) bills over time



## Effective partnerships

Partnerships have long been key to our approach to helping customers afford their bills. We have over 300 in place, and intend to continue to increase the number and variety. These include with debt advice specialists, local charities, fellow service providers, public sector organisations and community organisations. These partners help us to identify and contact those in need.

We engage with these partners through many different routes and strive to keep them informed on developments with our help packages and why they should continue collaborating with us. This includes through a dedicated microsite. However, it is difficult to engage effectively as partner numbers grow. We will be formalising our partnering approach and introducing a three-tiered partnership system, so we can tailor our updates and engagement appropriately. We are trialling this first in Chippenham and Bridport.

## Working towards a baseline level of support across the country

We have a track record of leading the industry in stepping up to ensure water is affordable for all. We were the first company to design and implement a social tariff; these are now the backbone of the help water companies provide to customers who struggle to pay.

Social tariffs vary company by company, and there are now discussions within the industry about offering a consistent level of baseline support across the country, which local support schemes could wrap around. We are active in these discussions and see greater consistency as desirable. More customers will need support as investment rises across the industry, in particular to fund environmental improvements. Some kind of basic universal support - for instance, discounts for anyone on Pension or Universal Credit - could be widely publicised, raising awareness of the help available. More people could be brought into company orbits, where they could be assessed for top up, local assistance.

Discussions are ongoing within the wider water sector as to whether baseline support of this nature is possible within the terms of the existing policy guidance on social tariffs. We stand ready to be an early adopter if the outcome is positive.

£13

per month rise in bills

140,000

households will receive support with paying their bills

300

Partnerships in place to help customers

## A better digital journey to access help

The Covid pandemic and cost of living crisis have produced a new cohort of customers who were previously just about managing but now struggle financially. Typically, they are digitally able but unaccustomed to seeking support.

In partnership with Bristol Water, our billing company Pelican, and our debt advice partners, we have explored the financial technology tools on the market that could help improve the digital journey for customers seeking support. We are in the process of identifying a solution that combines signposting and eligibility assessment services with debt support.

We believe this will help us reach, engage, and support more customers, and improve the customer journey.

This is part of our wider work to smooth the path to help. Research we undertook to support the Consumer Council for Water's 2021 Affordability Review made a series of recommendations about simplifying access, including through offering a single application process for all schemes, and ensuring there is a limited number of stages in the application process.



**Outcome:**

Excellent customer experience

How we communicate with, look after and satisfy our customers at every interaction

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**In delivering excellent customer experience we will:**


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Continue to 'go the extra mile' for customers, and developing our digital service provision, maintaining our industry leading position in industry league tables

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Foster multi-sector partnerships to enhance the experience of vulnerable customers

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Increase the support we provide to local social and environmental initiatives through the Wessex Water Foundation

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One of the overarching innovation themes we are targeting in AMP8 is cultivating more active communities. Customers are an essential part of the water system, and how they behave matters. For that reason, customer and community initiatives run throughout this plan, rather than being set aside in a standalone section. From reusing rain that falls on their roofs and not flushing the wrong things down the loo, to fixing leaks in their properties when these are discovered and making use of our wild swimming app, we need to work with our customers in the face of multi-faceted challenges that require a whole-society response. As demonstrated through our Community Connectors project, we increasingly want to identify shared goals and work hand-in-hand to achieve them.

We also, however, need to work for our customers; to bill them accurately; ensure it is easy for them to contact us and ask questions; explain things well; and provide special or additional services where these are needed. In the current environment of diminished trust in the water industry, every interaction matters, and we need to demonstrate at every turn that we are a professional and caring organisation that customers can have confidence in. We appreciate that restoring public trust is an essential precondition of achieving many of the ambitions of this plan.

## Developing our digital services

We are consistently among the best performing water companies on customer service. We have a customer-centric culture and ethos and actively 'go the extra mile' across our work. Increasingly, we are looking outside of the water sector to boost our ambition. We are using cross sector benchmarks, such as TrustPilot where we are achieving a high proportion of five-star ratings. By 2050, we aim to be a top 10 customer service provider in the UK across all sectors, as measured by the Institute of Customer Service.

AMP8 will be more about continuous improvement than fundamental change. Customers are already highly satisfied with our service, and we are mindful of the cost of living crisis and other expenditure driving water bills

up. We have not, therefore, earmarked any major new capital expenditure for this outcome, but instead will incrementally increase our performance within existing funding levels.

Customers will benefit from our transformation into a digitally and data driven service. In particular we will upgrade our e-billing and our online self-service options in line with changing customer expectations, while ensuring we maintain personal contact channels for those who prefer them. We will harness technology as it emerges to equip our teams to fix problems faster and provide even better levels of service. For example, the new customer app we will develop to wrap around our smart meter rollout will provide a quick and easy single point of contact and service.

## Chatbots for better customer journeys

Customers are growing increasingly used to completing tasks online and expect to be able to find any information they need on websites when buying a product or service. We have already trialled implanting chatbots for certain customer activities to help with this. Chatbots use AI and Natural Language Processing to engage in conversations and respond to questions as a live agent would, consistently and accurately. They can resolve queries and enhance customer experience, while reducing inbound call volumes and call times.

In AMP8, we plan to rollout AI chatbot capability across all suitable customer journeys. We will integrate it with our wider capabilities, including warm voice call answering so we can serve customers consistently across all channels with the same content and service levels.

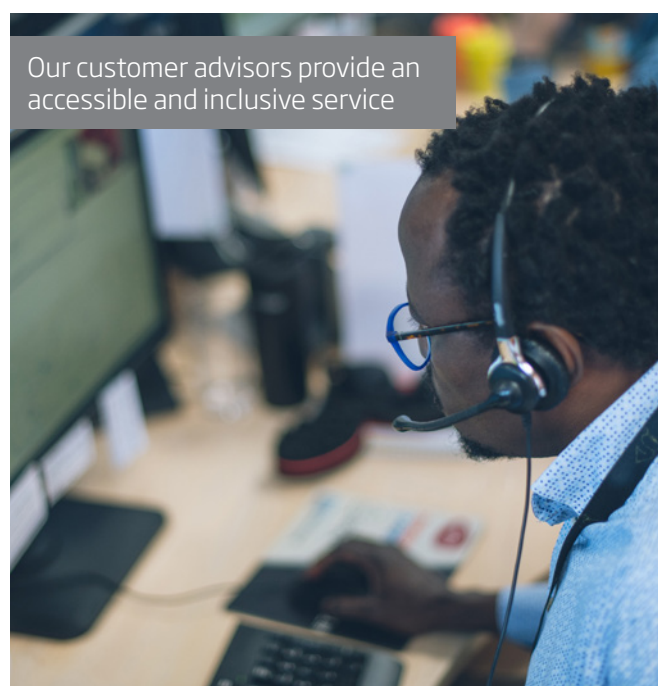
## Inclusive provision for all

We are updating our Customer Vulnerability Strategy, to ensure we continue to provide an accessible and inclusive service, whatever our customers need. We will redouble efforts to raise awareness of our Priority Services Register and ensure customers find it, and our additional service offerings, simple to access, easy to engage with and satisfying to use.

A key strand will be broadening our already extensive range of partnerships with trusted third parties, from the fire service to charities and community organisations. We are also pursuing a 'tell us once' strategy with our fellow service providers such as energy companies and local authorities, whereby we safely share information on vulnerability to ensure the customer is roundly supported across multiple services.

Increasingly, we will work to foster multi-sector partnerships to ensure we join the dots between different areas of our service provision. For instance, alongside ensuring customers with disabilities receive dedicated customer service support tailored to their needs, we are working to make sure our recreational sites are accessible. We are developing and improving our reservoirs and other public amenity facilities so everyone can enjoy them, supporting mental and physical wellbeing for all.

Once again, we are deploying technological advancement where it will help further our objectives and improve customer care, for instance in identifying when additional support might be needed.



Our customer advisors provide an accessible and inclusive service

## Targeting support using voice analytics

At present, we rely on the expertise of our frontline teams to detect signs that a customer is unhappy or in need of extra support, as well as to follow our procedures to log that need and ensure the service journey is tailored accordingly.

We haven't previously used voice analytic technology at Wessex Water to support our frontline teams in this activity. But we have been encouraged by the success of other essential service providers, such as UK Power Networks.

Using algorithms and machine learning, voice analytic technology can quickly identify where customers have specific needs – be these financial, physical, or mental, or even a desire to make a complaint. It can then efficiently route the customer down an appropriate path, to provide a personalised, relevant, and proactive service. This could support our vulnerability strategy commitment to treat all customer equally by being able to identify any additional needs and tailor our service in a relevant and timely manner.

We plan to use this AI-based technology to analyse our historic voice and digital customer conversations, to learn lessons, improve staff training and identify gaps in our information provision. We will also start to use it in real-time, to support customers live. As we progress this, we will rigorously respect customer privacy and be guided purely by an ethical application of AI to ensure customer benefit.

Alongside improved service levels for customers, the benefits will include rapid identification of complaints or service shortfalls that may become complaints if they are not handled effectively. We are also targeting increased productivity and reduced call handling time.

## Sharing success through the Wessex Water Foundation

We aim to be an exemplar of community engagement and social responsibility. We are making long-term commitments to funding, partnership working and delivering on interventions to support people and the environment, as well as listening to priorities set by our local communities.

The Wessex Water Foundation is a key strand of this strategy. Created in 2020, our Foundation provides money and support for local initiatives, funded through the financial benefits we accrue when we make efficiency savings and exceed our targets. Every year, we provide core funding to a number of debt advice and environmental partners using local panel representatives to listen and respond to local needs and priorities. We also provide project funding to community groups working to improve the lives of local people and the environment.



Oceans to Earth received funding from the Wessex Water Foundation

# What our customers think

**Customers are at the heart of what we do, and the development of this plan started and finished with customers' views. Although the majority of our proposed investment for 2025-30 is statutory, where there were choices to be made, we've developed a plan that customers want. Customers rightly have high expectations for the water services they receive and the way we protect the environment around us but are clear that bills must remain affordable for all.**

We developed our plan using bespoke and continual research and engagement with household customers (including those in vulnerable circumstances and future customers), business customers, retailers, developers, industry stakeholders and colleagues using a variety of qualitative and quantitative techniques. Research methods included immersive engagement events, in-home interviews, depth interviews, multi-generational focus groups, longitudinal engagement, community events and online surveys.

The iterative process of regular and continuous engagement has allowed us to refine our plan through its development to ensure our future strategy delivers against customer expectations.

Our strategic customer research programme culminated with acceptability and affordability testing of our plan in spring/summer 2023.

Customers challenged some of the more discretionary areas of the plan during the qualitative discussions and we made changes as a result, for example reprofiling the speed of our smart metering roll out programme and scaling back investments in reducing nutrient loads in rivers.

When we tested the plan quantitatively, we found that 62% of customers thought the proposals in the plan were acceptable. Acceptability with non-household customers was higher at 73% and slightly lower with household customers at 58%. These levels of acceptability are lower than we've seen in previous price reviews - the wider context of industry trust and reputation combined with the cost of living crisis and financial uncertainty for households has undoubtedly had an impact.

The affordability testing of the plan found that 29% of all household customers have struggled to pay at least one of their household bills in the last year and that 41% of households expect to see their financial situation get worse in the future. These results are the backdrop for also finding that a significant minority (46%) of household customers said they expected to find it difficult to pay the water and sewerage bills proposed for 2025-30.

Those reporting they would expect to find it difficult to afford the proposed bill was higher in lower income groups (rising to 63% for those with household incomes of less than £15,600 per annum) but not



We consulted thousands of customers and stakeholders

universal to them; just over a third of those with an annual household income of over £52,000 also said it would be difficult to afford. These results are indicative of wider cost of living issues impacting households and a number of customers told us that their answer was related to an unwillingness to pay rather than an affordability constraint owing to reputational issues of the water industry at this present time.

After testing, we made further changes to our plan in response to amended guidance from Government and regulators as well as customer feedback. This resulted in a smaller investment programme and a smaller bill increase for 2025-30 (29% compared to 40% in the Affordability and Acceptability testing).

Based on what customers have told us, this would have resulted in an improvement in both the acceptability and affordability ratings.

# 62%

thought the plan we tested was acceptable



# Conclusion

**The water challenges we face as a society are numerous, serious and pressing.**

**The environment is in crisis, with nature depleted, river health poor and decarbonisation urgent.**

**The climate is changing, layering on new operational and resilience challenges.**

**The public is impatient for prompt performance improvement, particularly on storm overflows and pollution. This is also essential to restore trust.**

**The cost of living is high, and many of our customers are struggling to manage their household bills.**

**Customers rightly continue to expect an uninterrupted provision of good service levels at a price everyone can afford.**

What's more, some of the challenges pull in different directions. For instance, developing new infrastructure to treat or store wastewater has financial and carbon costs.

In crafting this plan, we have stretched ourselves to deliver as much as we possibly can, while limiting costs for customers as much as we can. Virtually all of the investment proposed is statutory, and to mitigate the pressure that brings, we have listened to our customers and challenged ourselves and adapted our plan to find the most efficient, affordable and sustainable solutions possible.

We have proactively sought innovation to help, where this is possible within the current regulatory framework. We have strived to balance off all competing demands fairly, and ensured our plan is inclusive for all, with a robust safety net in place for financially vulnerable customers.

We have also detailed how we will work in partnership with our customers, communities, investors, supply chain and other stakeholders to make the ambitions reality. We will also need to work closely with our regulators and government to find ways of achieving these goals.

This plan forms the next stage of a long-term delivery strategy and is the very best we can do within the existing policy and regulatory framework to deliver for our customers and the environment.

To recap, we have set out:

- **What we plan to deliver** - our eight outcomes, based around the four areas of water supply, wastewater, the wider environment, and bills and customer service. Our key focus areas are cleaner rivers and seas, and water supply resilience.
- **Why these outcomes are needed** - to meet customer and policy expectations in the context of simultaneous climate, nature and cost of living crises.
- **How our strategy will help address long-term challenges** - this is the first step on a pathway to our 2050 objectives.
- **What the programme will cost** - and how it will affect customer bills.
- **How we have approached the challenge of affordability and acceptability** - how we have built our plan on the basis of customer views, and how we will ensure water remains affordable for all by eradicating water poverty.
- **The key role innovation will play in delivering this ambitious strategy** - the principle behind the plan is to find the most affordable and sustainable ways of delivering for customers and the environment. We will work collaboratively, openly and transparently throughout.
- **What we are doing to prepare for an expanded investment programme** - and to provide confidence that we can deliver it.
- **What we need to retain responsible investors** - and ensure our plan is financeable.





**Wessex Water**  
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