

**Wessex Water ‘Your
water, your say’ –
Written record of
questions
answered on the
day and after the
event**

Friday 28 April 2023

Business plan
2025-2030



Wessex Water
YTL GROUP

FOR YOU. FOR LIFE.

Wessex Water 'Your water, your say' – Written record of questions answered on the day and after the event

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Question themes

1. **Safe supply and sewerage** – including interruptions in resilience, water quality, reducing household flooding, storm overflows, assets and infrastructure and future housing
2. **Water resources and river and coastal health** – including pollution, nitrogen and phosphorus, river quality in coastal waters, sustainable abstraction, reducing leakage, consumption and smart meters
3. **Net zero and biodiversity** – including net zero as a business, improved land for biodiversity and other environmental impacts
4. **Customer service and affordability** – including customer satisfaction, managing complaints, bill levels, cost of living, financial support, social tariffs, priority services, zero water poverty, education, community engagement and executive pay

Wessex Water panel members

Colin Skellett – Group chief executive

Andy Pymer – Executive director of finance & regulation

Ruth Barden – Director of environmental solutions

Matt Greenfield – Director of strategy & regulation

Sue Lindsay – Director of customer policy & engagement

The session was facilitated by:

Kevin Johnson – Independent Chair

Steve Hobbs – Consumer Council for Water (CCW) – management of Q&A

Questions answered on the day

Theme 1: Safe supply and sewerage

Question: Storm drains and wastewater going into the sewerage system led to blockages during the torrential downpours we suffered in our region, pre-Christmas 2022. A major contributing factor of surface water flooding was Councils not clearing the late falling autumn leaves. Do Wessex Water work directly with local councils to nudge them into action?

We work very closely with local authorities, local councils and the Lead Local Flood Authorities. We have ongoing conversations around flooding issues, be that around surface water or foul sewage flooding as well.

Question: Many parts of Somerset are rural and in my part of the county, about 40% of the people live in small communities. What are Wessex Water's plans to upgrade treatment plants for communities under 2000? Historically, there's been virtually no investment in the smaller plants and the emphasis, I understand, goes into the larger communities. But given there are so many small communities, what are your plans?

We have lots of rural communities in the Wessex Water area and therefore lots of very small treatment works. There are requirements on where we have to do work, in particular the work on nutrients. The legislation typically requires us to focus on those works that are bigger.

However, we try to make sure that we're looking after the whole river catchment to make sure that it's in good status overall. We can do that even more efficiently by focusing on some of those bigger treatment works. There's not to say that we don't look at the small treatment works too, and we are looking at several that could require additional treatment.

Question: We have thousands of houses in Somerset waiting to be built out. That's not just the large developers, but also in small communities – e.g. small houses, extensions to farm buildings, extensions to small businesses. Lots of organisations are caught up in the phosphate issue. While I fully understand that you will take the low lying fruits of the larger communities first, I look at the percentage returns to the shareholders in a very low risk business, and at the money spent to improve, and I would suggest to the regulator and to the company that you need to think again about the under 2000 population communities which are numerous in rural Somerset.

[The independent chair noted that the regulators are in the background of the call so will have noted the suggestion given to them.]

There are two issues about making sure there's adequate sewage treatment capacity for the small communities, and we continually upgrade the small communities to meet the increased flow to the works from new development when needed.

However, the problem raised about phosphates is a really important point - that further growth is not taking place because of the restriction on housebuilding.

We are already doing all we have been targeted to do to remove nutrients in Somerset rivers during this period (prior to 2025). But we've gone beyond that and we're currently working with South Somerset Council, for example, to act as the broker between landowners and farmers to put in nature-based solutions that will unlock development – not just in the big developments but for small developers too.

We cannot continue to have no development and we must provide the adequate resources to do it which is exactly what we're setting out in our plan for 2025-30.

Our returns to shareholder have halved in the last ten years. They're largely set by the regulator in what's termed the cost of capital, plus a bit of outperformance. But even if we didn't pay any dividends at all, it wouldn't scratch the surface of the amount that needs to be invested to deal with the nutrient problem.

Somerset is a great example of how we work together with farmers and with regulators to unlock development.

Question: South Somerset Council no longer exists – it's now Somerset Council. We have a unitary system now in Somerset. We have 35,000 more people. We have also temporarily got the largest construction site in Western Europe and as a result we are struggling to meet local needs for housing. I'm very pleased to hear that we're working on these solutions with developers and the local council, but the need is much greater than the delivery that we're currently seeing. Can you expand on what else you can do to help us make sure that our residents have affordable, decent homes? [Question from Somerset Council]

We are having regular meetings with Somerset Council.

This restriction is largely because of nutrients in the rivers. The bulk of that now comes from agriculture. There's still some left for us to do but we've already done more than we were targeted to do up to 2025.

The best answer is to join up developers and farmers and landowners, so developers pay for farmers to develop nature-based solutions. We've worked really hard with the councils and with the regulators to try to facilitate this. We've got the first trial going on now, with developers saying what they're prepared to pay and landowners coming forward with development, with nature-based opportunities.

Put those together and you can unlock the problem. We've been talking to Rebecca Pow (the Minister for Water and local MP) and others about how we can do that within the current regulatory framework. But it does mean agriculture and water companies, local authorities and the regulators need to come together to make this happen.

Question: Can we step up our efforts to actually deliver on this issue – it's not just about the talk. It's absolutely heart-breaking speaking to people who can't get the accommodation that they need. Please recognise that there is a human angle to this, that corporately, collectively we are failing to deliver. [Question from Somerset Council]

Colin flagged that he is meeting Rebecca Pow in a couple of weeks' time and suggested that he meets up with the Somerset Council representative who posed this question at the same time.

Question: Last year, within a three mile radius of Melksham, there were 3695 hours of unauthorized spillages That's 154 days going largely into the River Avon, where children swim. And last year, I believe, Ofwat said it did have serious concerns over Wessex Water's sewage treatment and storm overflow spills. So what are you doing to improve performance in these areas? And are spillages being UV treated to prevent E. coli contamination?

We are actively pursuing improvements on our storm overflow discharges. We've got very good monitoring now which is increasing and all of our storm overflows will be monitored by the end of this year. We have good data on which overflows are operating for how long and under what conditions.

We are currently investing £3 million a month to upgrade our storm overflows more widely and we're focusing on those areas where there are more environmental sensitivities or where we know that they are being used for recreational use. Storm overflows have decreased by 45% since 2020 and that's something which we are progressing as we go forward.

We've published a storm overflow improvement plan which lists those storm overflows which we're currently working on. It's available on our [website](#).

We do have UV disinfection on our sewage treatment works which operate on our coastal bathing waters. And those have been in place for more than ten years.

Going forward, we are looking at the opportunity to use nature-based solutions which are much less energy intensive and offer wider benefits for wildlife to reduce our storm overflow discharges. We're looking at the programme of that particularly in our river locations, which is progressing at the moment.

We've got 20 sites (installing nature-based solutions to treat storm overflows) in train at the moment over the next two years to address that.

The work we're doing at Warleigh Weir near Bath is providing real time information to recreational users on water quality at the time when they go swimming. So that gives an indication of not only the bacterial levels within the river against bathing water standards, but also river flow and temperature, which are really critical for safety there. We are looking at rolling this out. We also have a number of sites on the Bristol Avon which we're focusing on and targeting for the rest of this year.

Question: Like various other towns in the area, Melksham is expanding at a rate that is upsetting an awful lot of people. We still only have two sewage treatment plants. What are the plans for increasing the number of sewage treatment plants, given the vast amount of building that's going on in Wiltshire?

The sewage treatment works in Melksham and Bower Hill are both fully compliant. Melksham was expanded between 2010 and 2015. All of the new development has separate rainwater, so we haven't got the storm overflow problem. So what we're looking to do is progressively expand the existing two works rather than build new works. But we will match the requirements from planning.

Question: Tetbury is at the beginning of the Avon, and it's an intermittent stream that's fed by tributaries and a spring. There is a sewage treatment works in Tetbury. I know you have a biodigester at Avonmouth, and materials are carried there by truck and processed into fuel. Is there a plan to have more local biodigesters, perhaps to provide energy for the town they serve? For sewage treatment works around the size of Tetbury – which has a population of about 6000 although growing all the time, with lots of development, and lots of runoff from roads and farms around the area – could reed bed systems be used more extensively?

Biomass is a great source of renewable energy. At the moment we tend to collect it at regional centres – we have one at Avonmouth and one at Trowbridge for example. We take the biosolids and we generate energy there to use on site, or in many cases now we put the gas direct into the grid. The remaining biosolids then go out to farmland. At the moment Tetbury is probably a little too small – we're typically looking at works over a 50,000 population for biogas generation. But it's certainly something for us to put on our radar into the future.

We are looking at the opportunities for nature-based solutions at Tetbury sewage treatment works – for storm flows and future development. Any new development should have separate systems, but there's quite a lot of groundwater infiltration within the catchment as well. So that is one of the sites with the opportunity to look for nature-based solutions going forward to treat additional flows which are influenced from groundwater. We do have some reed beds (at the sewage treatment works) which we may be able to repurpose and direct storm flows through.

[Ruth noted that she is due to visit Tetbury in June to meet councillors and others to discuss.]

Question: It's great to see increased monitoring on storm overflows. Because of that, though, we now know that last year Wessex Water discharged 21,878 times into waterways in 2022. But the Water Industry Act 1991 outlines that discharges should only be happening in periods of extreme heavy

rainfall. Do you acknowledge that that's an extremely high number of discharges to be consistent with extreme events? And are you sure that you are compliant with that piece of legislation? [Question from Surfers Against Sewage]

One of the particular issues we have is high groundwater levels in parts of the Wessex Water region. Where you've got a high groundwater level, groundwater enters the sewerage network at places like Shrewton, in Wiltshire and in other parts of it, where the groundwater keeps coming into the sewage network long after the storm has passed.

It is clean groundwater. It largely enters the sewers from pipes that belong to households or private pipes, and we've been pressing government for the power to do something about that infiltration. Because we've done lots of infiltration sealing on our own pipes and we still have a large amount of groundwater coming in, which contributes to the excess flows in the system causing the overflows to operate. Shrewton is a really good example of this and somewhere where the groundwater influenced storm overflow is cleaner than the river.

We are confident that the storm overflows which are impacted by rainfall only operate in wet weather or as the rainfall subsides. We do have a particular issue with groundwater causing overflows to operate for prolonged periods of time, although this is effectively clean water coming into the sewerage network.

This explains why we have some of those prolonged flows, because the water table is higher than the sewerage network. Again, that's a key focus for the nature-based solution. Hanging Langford and Shrewton have both got reed bed treatment systems which we have been monitoring intensively – Hanging Langford for the last ten years and Shrewton much more recently. These details are available on our website as case studies: [Hanging Langford case study](#) and [Shrewton case study](#)

We have numerical data that indicates a range of parameters in the discharge there. We're looking to work with the Environment Agency to get those permitted as biologically treated discharges to reflect the level of treatment which we are now providing as well from the reed beds. This then takes account of the length of time which they're operating.

So they would have numerical permits which would be part of the Environmental Performance Assessment, overseen by the Environment Agency, into the future. This is another version of the innovative permitting that we're working on and is our approach for the groundwater, which we're actively progressing. We've got about 20 nature-based solutions underway at the moment. Our future investment is very much looking at those surface water systems.

And as Colin said in the presentation, beyond groundwater we are looking at separation, attenuation and treatment where needed to bring those numbers down elsewhere.

Question: So you think you're compliant in terms of rainfall, but given the Water Industry Act only allows discharges in periods of extreme rainfall, does that mean those high water table things aren't compliant? [Question from Surfers Against Sewage]

They're not actually covered by the legislation at the moment. So this is an anomaly which we're looking to rectify through the permitting process.

Question: Okay. Thanks so they're not compliant. [Comment from Surfers Against Sewage]

They are. We want to see the end of the storm overflows completely, but we've just got to work hard at it jointly.

Question: I appreciate that. I just think since 1991 we've seen these discharges and as you say, we've got better monitoring now so we can see the extent of the problem. So we're just making sure that we're calling you out on the fact that you're not currently compliant with your discharges. [Comment from Surfers Against Sewage]

But we are. Good.

Theme 2: Water resources and river and coastal health

Question: Given Wessex Water's website commitments to reduce pollution, are you doing enough to make sure phosphate levels are lowered sufficiently?

We have had significant investment programmes in previous 5-year regulatory periods as well as this one (2020-25) to reduce phosphorus levels in line with various legislation such as the Urban Wastewater Treatment Directive and Habitats Directive. We have reduced nitrogen and phosphorus loads by about 5000 tonnes up to now. And then we've got a programme which is currently underway and again we're investing more of that into the future.

We're looking at, by 2030, reducing loads by another 270 tonnes of phosphorus and 120 tonnes of nitrogen, as covered in the presentation with the costs associated with that.

Question: Will this be enough to protect the SSSI?

At the moment a lot of our phosphorus removal so far has been focused on those locations which are designated SSSI (sites of special scientific interest). Looking forward in terms of the nutrient neutrality requirements, those are primarily based on locations which are protected under various different environmental designations, so including SSSIs and Special Areas of Conservation. That's covering the Hampshire Avon, Somerset levels and Moors, Poole Harbour and also the Chesil and Fleet catchments, which are most highly designated across the region.

Question: None of the questionnaires or other disclosures that I've seen over the last few years or so from Wessex Water have made reference to the fact that Wessex Water has been dumping sewage into rivers and seas. So this is misleading. Do Wessex agree that if this is indeed the case, will an apology, be forthcoming to Wessex customers? Will Wessex be stopping all dividend payments to shareholders and cancelling bonuses to board members and others, given the company's behaviour over the last few years?

If we had been dumping sewage, absolutely. But we do not dump sewage. The sewerage network, which was put in over 150 years, has a single pipe solution. So overflows operate automatically to avoid houses and properties being flooded. There is no dumping happening – that's the term that the media have used because it excites attention.

We continue to progress through things that we've been doing for many years now, improving storm overflows, reducing their impact and eventually eliminating them. But it needs major investment – the estimated cost to do it in the UK is about £300 billion. We're going to be spending three quarters of a billion pounds if the plan is approved over the next five years.

The real answer is to work hard stopping storm water getting in there. It needs government legislation to make sure that development goes through a separate network or goes into a watercourse. It needs powers for us to disconnect or deal with surface water that's coming in or groundwater that's coming into sewers.

And it needs a steady program, like one we are just starting in Chippenham. We're starting our first program, working with individual households to take roof drainage, put it into water butts and stop it entering the sewerage network.

So there aren't any quick fixes, but we don't dump, we absolutely don't want the impact of storm overflows and we will progressively eliminate them. But it's going to take time and it's going to take significant investment.

Question: Since privatization, money goes to shareholders, instead of fixing leaks and separating foul water sewers from rainwater sewers. Building work has been halted in my area due to Natural England as Poole Harbour is polluted. The government has committed to building more houses, yet the sewerage system can't cope. There's no joined-up thinking and as stated in your For You For Life magazine, you only aim to reduce the number of hours of discharge from storm overflows by 25% by 2025 at Portland Bill, for instance. Aiming is not good enough. 25% is pretty little, people can't swim in rivers and several beaches get closed. The company needs to get its act together instead of paying shareholders.

Firstly, let's consider investment and shareholders and how that works. The industry was privatized back in the late 1980s. Privatization saw a doubling of investment that has gone into the sector over the last 30 plus years, and that investment has come partly from customers continuing to pay through bills.

But the increase in the investment has also come from private investment – from investors and from shareholders who have invested in the sector. And to give some context, last year the dividend paid from Wessex Water was £62 million. The amount of investment we made in our infrastructure was £280 million.

That investment in infrastructure has been facilitated by the fact that we've had shareholders who've invested in the business. If we didn't have shareholders investing, there wouldn't be the dividends to pay. But nor would you have the level of investment, and the investment is much greater than the amount of dividend. Furthermore, the amount of dividends is not something in terms of return that we as a company decide, the returns are set by the regulator Ofwat. Ofwat will assess the right level of return to make sure that the investment that's needed is attracted into the sector. So overall, the amount of investment is very many more times the amount of dividends and that then enables us to make all of these improvements.

The plan we're talking about now will require about half a billion of further equity investment alongside the increase in customer bills. If we're going to fund these programs, we need investors. You cannot fix this overnight; this is about billions and billions of pounds worth of investment that needs to be funded by a combination of bills and investors.

Poole Harbour element of question:

There are a couple of issues there, firstly around nutrients and development. We installed our first nitrogen removal plant at our Poole sewage treatment works in 2009 which removes about 1000 tonnes of nitrogen. And then in 2021, we installed another one at Wareham sewage works, which removes another 10 tonnes of nitrogen. In terms of nitrogen contributions to Poole Harbour, 12% are from Wessex Water and more than about 85% are from other sources, of which agriculture is a significant one¹.

We have been working very closely with the local authority and the farming community there to reduce nitrogen loads into the harbour. And by our catchment management measures, we reduce about a further hundred tonnes on an annual basis. There is the requirement for us to deliver nutrient neutrality, which will look at both nitrogen reductions at a further four sewage treatment works, and improvements at two existing works, in the Poole Harbour catchment by 2030 and also provide some additional phosphorus removal in that

¹ Official source:

The Environment Agency & Natural England 2021, *Poole Harbour Consent Order Technical Investigation and Recommendations*: [Poole Harbour Consent Order Technical Document \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/101111/poole-harbour-consent-order-technical-document.pdf) – page 14 for graphs showing source apportionment

Lay users may find the following webpage more accessible as an alternative source:

Poole Harbour Nutrient Management Scheme: [FAQs - Poole Harbour Nutrient Management Scheme \(pooleharbournitrates.org.uk\)](https://www.pooleharbournitrates.org.uk/)

catchment which will then go some way to unlocking the development. But again, all parties need to work together on that.

In Poole Harbour there are two bathing waters and three designated shellfish waters **[latter part updated post the webinar for correctness]** of which one achieves excellent quality and the other one is borderline good and excellent. We've got some really exciting developments which we are undertaking there using additional data sensors and artificial intelligence (AI) to be able to provide a water quality prediction system, which we're developing again in partnership over the course of this year. So there's quite a lot of progress underway there.

Question: According to Ofwat's 2021-22 service delivery report on company performance, Wessex Water is ranked eight out of ten water and wastewater companies at the level of per capita consumption (the volume of water used by people and businesses every day). How will the company reduce this level of consumption and what is your target for this? [Question from CCW]

We have lots of plans in place for per capita consumption. One of the biggest is that we're planning a smart meter rollout. We will be looking to install about 600,000 smart meters over the next seven years or so. We're aiming to get down to per capita consumption of about 129 litres per person per day as a result. But alongside the smart meter work, we do lots of work around customer use and how we can help customers to use less water themselves. For example we do home visits to help people make sure they haven't got leaky loos and also provide water efficiency devices to help them use less water from the hosepipe or showerheads for example. We also encourage people to use things like water butts to water their gardens and try to find solutions like that that provide lots of benefits over and above not just personal use.

Question: Regarding the CSO challenge, how are you going to balance surface water separation storage with increasingly difficult carbon targets and reduction targets?

The traditional way of doing separation - digging holes, lining them with concrete and then having to pump back and forth is an incredibly carbon intensive system.

In Chippenham, we're doing a lot of work together to connect the community with our shared goals. One of the areas is a Rain Savers project looking at what we can do to separate the roof runoff at source to avoid it entering the sewer. We're working with around 200 properties to do a home check water efficiency visit. We'll also install a water butt and where we can a rainwater solution such as a soaker hose to divert the roof runoff across the garden. We'll also assess the property for solutions such as a rainwater garden or larger soakaway.

But what we should be able to do from those 200 is to look at the customer journey, the response and feedback from customers, how desirable are these rainwater solutions, how effective they are. We can then look at that information for bigger rollouts in the future. Separating at the property level to prevent the problem in the first place is key.

Question: Why is the extra investment needed now? You say things like you've reduced leakage by 60% and you want to reduce it by 8%. But in order to reduce that by 8%, you need a significant investment of new money. Why is new money required and why can't you do most of this work within existing budgets?

It's a question of the scale of what we need to do. On leakage, for example, we're currently spending around £30 million each year on maintaining that current level of leakage.

Having cut leakage, pipes are always on the move. The pipes are buried in the ground, and the ground is always on the move, which causes movement in the pipes that causes the pipes to break. So it's a constant challenge to keep fixing the leaks that appear, to then go beyond that and to make a further cut in leakage is when you then get the extra investment.

The figure on the slide was £150 million – that would not just be leakage. That was also looking at some of the other improvements on that slide.

In summary, it's just the amount of additional work that's needed that means that it can't be done within existing budgets.

Also, climate change is driving changes in rainfall patterns. So we are seeing more and longer dry spells and more intense rainfall. So on one side, the more intense rainfall impacts on storm overflows, and on the other side we need to use less water because we're going to have to manage our way through a longer period of drought.

So we need to use less water, we need to store more water and we need to work jointly with customers to help them use less water. We're about to launch an offer to all of our customers on water butts so you will be able to order up to two water butts at £10 each.

Question: How will Wessex Water ensure that customers receive a reliable, secure water supply in the long term in the context of our changing climates and possible population growth in the future? What is the current and long-term risk of drought and/or supply restrictions?

We're looking at spending just over one billion pounds over the next five years on maintaining and improving our infrastructure. We already plan to quite severe levels of drought. We're very proud not to have had any restrictions on supply since 1976, even last year, which was one of the biggest droughts we've had for a long time with restrictions across much of the rest of the country.

We're in the process of preparing our next water resource management plan, which is all about making sure that we've got enough water for the future demand. We're looking at how climate change and population growth will impact that. And we do a lot of work to make sure we've got enough water for both typical years and dry years.

Furthermore, we're doing lots of work in extending our network to make sure that we can connect different parts of it, as well as making sure that we're looking at potential new water resources to keep that supply for a long time into the future under even more stretching scenarios.

Question: Since privatization, how much total investment has been put into Wessex Water by shareholders to make improvements and also how much has been paid out to shareholders by Wessex Water in dividends? [Question from Surfers Against Sewage]

The total amount of investment since privatization is just over £7 billion that has been spent on all of the infrastructure and improvements over that time period. The total amount of dividends that have been paid is £1.8 billion - that's the amount that has been paid out.

Looking forward, at least half a billion of equity investment is needed just in the next five year period to continue to make sure that we can finance all the investments and the improvements that we're wanting to make for the future.

Question: We're inland rather than being along the coast. A lot of the pollution in our river is caused by agriculture. Can water companies put pressure on the government so that the rules around farming next to rivers are rules and not recommendations? I know that locally people have complained. The Environment Agency has turned up and they have said that there are no rules. These are just recommendations. Can the water companies put pressure on the government to make them enforceable?

From our perspective, we work with our regulators. There have been about 14 additional Environmental Agency enforcement staff focusing on farming practices which have been employed in the Wessex Water region in the last 12 months. And again, the future Environment Act targets do put increasing requirements on

farmers to reduce their nitrogen, phosphorus and suspended solids contributions by 40% going forward. That will inevitably require change in terms of land management and farming practice, again alongside rivers, because it's all about the amount of pollutants that get into watercourses.

Theme 3: Net zero and biodiversity

Question: Is there a plan for more SUDS within our cities, in particular are you working closely with Bristol?

We are producing our drainage and wastewater management plan, which very much looks at this. We're very attuned to the carbon impacts at the moment, our desire to achieve net zero operational by 2030 and for our embedded carbon by 2040. So we are looking at alternatives, such as sustainable drainage systems (SUDS), attenuation ponds and swales. Where we are looking at grey solutions, we're looking at using lower carbon concrete and much more efficient construction methods. It's really high on our agenda.

Question: How can you pay thousands of pounds in bonuses when we only ever see a failing system with raw sewage in rivers, fish dying and algae growing due to the number of discharges which is growing? With modern technology, I would have thought this would be the foremost thing to conquer along with leaking pipes. Why isn't this working satisfactorily?

This isn't the case. We've got less leaky pipes. We've got less overflows operating. River water quality is getting better, not worse. Nutrients are a specific issue. And we've already touched on the fact that agriculture needs to play its part and we're keen to work with agriculture to facilitate that.

Bonuses are not set by us – they are set by an independent committee of the board. Parts of the bonuses reflect customer service and environmental service – so if we don't hit the environmental targets, we won't receive this portion of the bonuses.

Theme 4: Customer service and affordability

Question: In response to the presentation – did the bill increase figures presented include inflation?

£57 is before inflation. So based on current Bank of England forecast, we would expect about another £10 to be added to bills because of inflation. But at the same time everything would be going up – e.g. other costs of living, incomes. The bill prices were created without inflation to make them comparable. But everything will be more by 2030 compared to today.

Question: Wessex Water tells us how wonderful their performance is. I've had many instances of less than wonderful performance and would like to get the company's comments on this.

[CCW offered to take any specific issue offline if needed].

We wouldn't pretend we get everything right – we do not. But on the whole, we do get things right – that's reflected in the customer surveys showing us at the top of the league tables. We could argue there's not a lot of competition in those league tables. We were the first company to start encouraging TrustPilot rating and we're currently rated 4.7 out of five on TrustPilot – so we clearly do get quite a bit right. When we get it wrong, we apologise, we fix it appropriately, we pay compensation. So whatever the issues are, if somebody tells us, we'll sort them.

Question:

I've been a Wessex Water customer since privatization, and over that time I've been constantly bombarded by how wonderful they are. They're the best in the country. Which isn't really saying a lot, is it? In terms of the water industry, I've had numerous problems with bills. For example, I received a bill yesterday for the first time that had to be paid by yesterday.

I have complained to Mr. Skellett about the company's failure to publicise in advance increases in charges for water. The response in 2022 was that it's too expensive. We'd have to put the bills up if we spent 14p on every customer telling them what their new bill charges were going to be. He did courteously respond to a suggestion I made that the publication date of the periodic magazine could be advanced to before the price increases took effect, and he could put the details in there. He said he would do that.

In 2023 you put the bills up. I've been on the new charges for a month now, and until I got the bill, I didn't know what my unit costs were. Now, these are not the actions of a company that cares about its customers and is wonderful. These are the actions of a company that is not really customer focused in any way at all.

Over the last ten years bills have gone up by less than inflation. But bills are impacted by inflation. The point that we corresponded about was that actually writing to every customer telling them about their bill increase is not a cost-effective way of doing this. We had a significant increase in bills from the 1st of April and that was in the customer magazine.

Question: Tell me why you've increased the standing charge by 12 and a half percent over 18 months. Customers who respond to your exhortations to use less water still often find themselves stung by a very significant increase in the standing charge. You say that is to service and read meters. Well, at £27 per household if, say, half of your customers are on meters, £2 million worth of standing charge certainly would cover that and more.

The standing charge provides the meter. Meters last for about ten years, so they need to be replaced. About a 10th of the cost of the meter goes in the standing charge each year, as well as the cost of attending and reading that meter, and the cost of producing the bill from it. There are two bills each year, so two meter reads. So all of that, the cost of the meter and going out twice to read the meters and providing the bills, for £27. That's a cost that is set.

Regarding the increase in price, prices have risen significantly for households in many different areas. Those costs are also the same for us. For example postage and stationary has gone up by more than 30%, so it's a lot more expensive to send bills now than it was.

That's within the £27 standing charge.

Question: You acknowledge that as a water company you've dropped in environmental ratings which you say you're going to prioritize and work on changing. But why did you prioritize taking a total of £975,000 in chief executive remunerations last year before prioritizing investing in infrastructure that would help you meet those environmental targets? [Question from Surfers Against Sewage]

The Group Chief Executive's pay from Wessex Water Services last year was £444,000, not £975,000 – but it's a lot of money. The pay is set by our Remuneration Committee. The bonuses for the Group Chief Executive and the executive team are also set by the committee and they take into account environmental performance for this year as well as wider performance. The bonuses that will be reported in the annual returns for this year will be for last year. They are yet to be determined by the Remuneration Committee. My expectation is that there won't be bonuses for the environmental part because we have dropped in performance.

Question: My understanding is that Wessex Water has borrowed large sums to fund shareholder dividends, passing on interest payments to customers and increasing bills by around £70 a year. This is clearly not a sustainable finance model. The promise of privatization was that shareholders would make the investments needed, but the reverse has happened. Are there any plans to change the funding model and stop borrowing to fund dividends?

The short answer is that we don't borrow to pay dividends. There's a range of costs that we have as a business – day to day employment costs, infrastructure investment, the cost of paying tax, the cost of paying interest. These are added to the cost of dividends as a total amount of expenditure. We talk about the industry as a whole being cash negative, meaning the amount that is spent every year on all of those items is more than the amount that's received from customer bills.

Therefore the difference is made up by investors, and that was the purpose of privatization. Privatization enabled more expenditure to happen to make all the necessary improvements, rather than adding to customers' bills or the tax burden. Instead, that additional expenditure was then funded by investors and debt investors by borrowing just as one might borrow a mortgage, and also by equity investment, which is shareholder investment.

So there's a whole mix of investment that happens. But overall the amount of investment or expenditure that is required is greater than is received from customer bills and hence that's the reason for the privatization model.

Question: Customers are going to be asked to bear a bit more cost in terms of higher bills, which is slightly contentious possibly, but I think probably fair enough for many of us. But there's got to be a fair aspect that if customers are paying more, will shareholders see lower dividends? My understanding of how the investing book says, you know, high risk, high reward, if a gravy train of dividends just keeps flowing no matter what's going on and customers are paying more, that doesn't feel right. So what is the thinking about your future returns for investors versus higher bills for customers?

Yes, customers are needing to pay more towards this, but at the same time, dividends should reduce. There's two parts to that. If it's a requirement for shareholders to put more investment into the business, a figure of around half a billion pounds would be the current level of investment that would be needed. Shareholders would be putting that money in alongside the money from customers. The level of returns of dividends is set by the regulator and Ofwat has signalled that it would be reducing the allowed level of return as we go into the next price review. Current dividend yield is around 4 or 5%. That's going to come down quite significantly as we go into the next five years. So it is absolutely correct that it is a balance between all of those parties and that's what we would expect to happen.

Question: How does the company engage with its customers to ensure bills are affordable? What do customers tell you? What are doing in response?

It's absolutely fundamental that everyone should be able to afford their water bill. We should never have to ration water use. We do a huge amount of engagement to look at what customers are willing to pay in terms of balance of bills and investment – we do that through surveys. We then work with our partners in the debt advice sector to develop a range of schemes to be able to help customers who are on lower incomes whose bills are more challenging.

We take advice around design of all of the support, and we have a whole raft of things available to help customers afford their ongoing charges and repay their debt. There was an example given in the presentation of Eileen's story.

It's a case of being reactive, supporting as many as we can – 55,000 at the moment, and that's growing. We've already put changes in in terms of the cost of living crisis to try and get more support quicker to customers.

And we'll continue to evolve that offering as we move forward as circumstances change, the economic climate changes and bills start to rise.

Question: There was a comment earlier around costs increasing due to the requirements to pay people to go into read meters and also to put things in the post. But in the 21st century, now we're doing so much of these things virtually, particularly even online banking. Has Wessex Water not considered sending bills by email and having online access account?

We have a very diverse population and we want to offer choice in the way customers communicate with us and the way they receive things. We have an extensive ebilling service with many thousands of customers signed up, and the number is growing daily. But we also have customers who prefer everything by paper. So we believe we should allow choice.

The experience for customers of all of our channels should be as good as one another, and as people want to be more digital, we should provide those digital services for them. That will indeed bring costs down. Our younger customers tell us that digital is what they would wish to have more of in the future. We're rolling out more and more self-service and digital solutions, but still retain that choice, which is very important.

The point about meter reading is a good one – smart meters will enable us to not have to send people around to read meters. It is part of our focus on driving down the carbon consequences. Smart metering is a key part of that.

Questions answered after the event

Theme 1: Safe supply and sewerage

Question: Are there plans to create additional water storage solutions possibly linking in with flood mitigation/adaptation schemes?

As part of the development of our water resources management plan (WRMP), we have developed a thorough list of potential options to meet future needs, which includes a number of potential water storage solutions. We have consulted on this plan and are currently preparing a revised plan, with final plan publication later in the year. We expect storage solutions to be part of the long term solution to meet future demands in the South West region, alongside demand-reduction measures and inter-regional transfers to help us adapt to future climate change and protect the environment.

We continually review the potential options available to meet future demands. In the next 7 years we are also looking into solutions in catchments to increase storage, notably the Dorset stour catchment, and will review whether they can have multiple benefits for both water supply and flooding by slowing flows.

We are looking into increased reservoir storage as a potential solution for long term supply resilience in the region as part of the WRMP.

More information about long term solutions across the South West is available through the [Westcountry Water Resources Group](#)

Question: Will Wessex be looking to incentivise customers to manage their surface water by a greater reduction in sewerage charges?

Yes - we already offer a discount for customers who do not drain their rainwater to our assets and are looking to enhance this. As investment in rainwater management (i.e. storm overflow improvements) increases, the discount from not having this service will also increase, providing greater incentivisation to disconnect.

Question: Why do developers not have to check that existing drainage systems are adequate before they build!!

Developers are required to design sewerage systems with adequate capacity to convey the load of the new development to a point on the existing public network of at least the same size; it is the water company's statutory duty to ensure sufficient capacity exists in the network downstream of that connection.

Question: Water butt use is already largely happening in private residences. But do big industries like factories and warehouses use them? I see thousands of gallons of pure rainwater cascade off buildings in business parks and Industrial Estates all the time. This water could be collected and reused. Companies should work with the Government to make their waste water get reused. Fewer dividends, more service to customers.

We totally agree as this is the first of the two good rainwater management principles, namely 1) Rainwater should be treated first and foremost as a resource and reused where possible and 2) Rainwater should be returned back to the environment as close to where it landed as possible and never mixed with sewage. We are planning to roll out an area-based charging approach to businesses to incentivise them to disconnect.

Question: Having read an encouraging report by Southern Water on their Pathfinder Project for slowing down rainwater surges by installing slow-drain water butts free of charge. Are you considering similar initiatives to work with the communities?

Yes. We are currently running a "Rainsavers" trial in Chippenham to divert rainwater falling on 200 properties away from the sewer as part of our Community Connectors programme. The project is exploring the costs, feasibility, and customer appetite for measures such as water butts with soaker hoses to irrigate gardens, planters, and rainwater gardens to keep rainwater as close to where it landed as possible. Working with the community to increase awareness of the issues and encourage a shift in perception to value rainwater as a useful resource are key elements of the project.

Question: I would like to know what efforts you are making to remove micro plastics from the water supply. This is of immense importance in this "plastic age" we live in.

The Drinking Water Inspectorate has recently published research on the removal of microplastics by drinking water treatment processes (the research is published on their website). The research concluded that the risks are low. Furthermore, within the Wessex Water region the majority of our water is derived from boreholes with excellent water quality.

Theme 2: Water resources and river and coastal health

Question: Are you lobbying the government to ban or more strongly regulate the manufacture and use of chemicals harmful to humans (for example PFAS) and/or aquatic life (for example fipronil)?

Yes. Wessex Water would like to see better control of chemicals like PFAS. Individually, and through Water UK, we think the government should introduce legislation for the phasing out of all PFAS chemicals that have the potential to impact drinking water.

Question: Are you attempting to engage and educate consumers about how to help to prevent these chemicals getting into the rivers/sewage treatment plants (for example not using harmful waterproofing or certain flea and tick treatments, or how to apply a better practice to prevent these getting into the water systems)?

Yes. We have started to engage with customers about the risks associated with PFAS. Customers are generally becoming more aware of PFAS and the associated risks and we plan to build on this in the coming year.

Question: What are you doing to ensure SSSI on the Somerset Levels will not be harmed by high phosphate levels and other pollution?

By 2020 we had installed treatment at sewage treatment works to remove nearly 100 tonnes per year of phosphorus across the Somerset Levels and Moors. Further investment underway will provide an additional 70 tonnes of phosphorus removal by 2025, meaning that the greatest source of phosphorus will be from agriculture. The Levelling Up and Regeneration Bill requires further phosphorus removal at all sewage treatment works serving more than 2,000 people, within the Somerset Levels and Moors Ramsar, to achieve permits of 0.25mg/l total phosphorus concentration which is the Technically Achievable Limit. We have a [Somerset Factsheet](#) on our website with more information of investment in recent years.

Question: Are you lobbying the government to take this [high phosphate levels and other pollution] into consideration when allowing new housing developments?

We are lobbying Government to tackle phosphorus and pollution from all sources using the most efficient solutions including land management practices, nature-based solutions and through improvements at sewage treatment works. We have been advocating an Outcomes Based Environmental Regulation approach to understand how sectors can work together to address the pollution challenges which our watercourses face in a more holistic way.

Question: Are you doing anything to help farmers reduce pollution through farming?

We work extensively with farmers to reduce nutrient run off from their farming practices and have been for 15 years. This not only protects our drinking water sources, but also reduces nutrient levels (which can be damaging to water health if too high) in river and coastal waters.

We do this through an assortment of measures; cover crops, arable reversion and improving the efficiency and accuracy of their fertiliser application for example.

Question: Large new housing developments need to arrange for huge areas of land to be set aside to offset the nitrates leaching into rivers. Would it be more sensible if they made contributions to Wessex Water or the local water company to build a nitrate removal plant attached to the local treatment works or provide suitable land close to the local sewage treatment works to build a natural reed type nitrate removal basin. The additional facilities could also reduce the overflow events from the sewage treatment works.

In the Somerset Levels and Moors and Hampshire Avon catchments developers need to ensure that the houses which they build and sell do not contribute further levels of phosphorus to rivers. In Poole Harbour and the Chesil and Fleet catchments developers need to address the additional phosphorus and nitrogen which the occupants of the new houses will generate. Developers are currently offsetting these additional nitrogen and phosphorus loads by either working with farmers to change land practices to reduce the amount of nitrogen or phosphorus leaching or by constructing wetlands. There is currently no mechanism for developers to pay water companies to reduce the nitrogen or phosphorus contributions which these new houses will generate.

However, the Levelling Up and Regeneration Bill does mean the water bill payers will contribute towards providing additional nitrogen and phosphorus treatment at sewage works in the areas identified above between 2025 and 2030. This will not be paid for by the developers but by customers across the Wessex Water region.

Question: 5% of phosphates is added to the water by Wessex Water to reduce degradation of older pipes - when will this be stopped?

We dose orthophosphate in certain areas where there is a higher presence of lead service pipes. These pipes are not water mains - they are the pipes which take water from the mains to the customer's property, 75% of which typically belongs to a customer. We dose orthophosphate to protect public health by reducing ability for lead to dissolve into the drinking water.

We have a lead pipe replacement programme, to replace both company owned pipework, and to enable customers to replace their pipework, to reduce the risk of lead to consumers. Only once a significant proportion of lead pipes have been removed from the network will we consider stopping orthophosphate dosing due to the public health benefit it provides.

Question: There is a growing citizen science movement, a lot of which is driven by concerns about sewage spills and ensuring that the company is delivering on their promises. Rather than working on different sides of the same issue, are Wessex Water able to share their monitoring data and help build a whole picture of the health of rivers, lend any expertise in analysis of this data and increase support for partnership working to improve the wider health of our water environment.

We are sharing our data and our marketplace website (marketplace.wessexwater.co.uk) is the central link for all the data we share. We are looking to expand this over time and are happy to share with others.

We also encourage all staff to get involved in river blitzes.

As part of the Environment Act we will be installing in-rivers monitors at every storm overflow and sewage treatment works discharge. This data (which will include ammonia and dissolved oxygen) will be collected and shared on a national environment hub.

We have also developed the first ever near-real time water quality app for public health, accurately predicting bacteria levels for wild swimmers to use to inform decisions. This app is available via <https://dave.unifaitechnology.net/wessex/> and is being advertised at the site (Warleigh Weir). We now have a programme to roll out further applications to other popular swimming locations.

Question: Will you be able to meet the requirements of the Environment Bill to monitor upstream and downstream of each CSO?

Defra is currently consulting on the need to provide real time water quality monitoring upstream and downstream of all storm overflows and water recycling centres. The exact requirements are still being determined by Government but we have undertaken feasibility studies to understand the scale of this requirement and are working with our supply chain to address this. This is a national issue where we are working with our industry body, Water UK, to enable this new requirement under the Environment Act.

Question: Good to hear about the work you are doing on land and in the river to reduce nutrient contamination and biodiversity loss. What are your plans for using nature-based approaches (native oysters' beds, seaweed, and saltmarshes) in coastal areas to reduce legacy nutrients contamination and support water quality and biodiversity recovery?

We, and the wider industry, have been looking at opportunities for alternative approaches in coastal areas too, including all the suggestions in the question. We would likely do this in partnership with others and discussions are at very early stages. The other issue with legacy nutrients is that they could actually lead to an increase in

in-river concentrations as they are released in the short term, despite our improvements. This is recognised by both Environment Agency and Natural England. We are in dialogue with Natural England about in-river treatment and how this could work. We do have a catchment partnership investigation in the Water Industry National Environment Programme, running from 2025 to 2030, to better understand legacy nutrients and the impact on seagrass in Poole Harbour. Similarly, we have been discussing the opportunity for PhD research in the Somerset Levels and Moors to better understand the impact of legacy nutrients in freshwater habitats.

Question: I currently volunteer as a Wessex Water Guardian under the CSI scheme in combination with Somerset Wildlife Trust: Will you continue to support this important work and how important is it to your plans to improve our rivers water quality long term strategy..?

We are committed to Water Guardians; we currently have three areas in partnership with Somerset, Dorset and Wiltshire Wildlife Trust and are in progress to extend this reach. We see these volunteers as the eyes and ears on the ground knowing their local water course all year round and alerting us to anything abnormal so we can assess any impact from pollution. Where we have found incidents are not caused by our assets, we routinely inform the Environment Agency.

Question: I am a Chartered Environmental Consultant and have worked with numerous water companies so far in my career. One thing I have learnt in recent years is that given cuts to the Environment Agency over the last 2 decades, environmental monitoring (particularly water quality) has reduced and powers for reporting has been passed to the water companies so do Wessex have a robust/ thorough monitoring programme in place, which will also inform drought permits etc. Could Wessex be more forceful (in a good way) in showcasing the importance and benefits of reducing water usage. I know South West Water have provided customers with a free water butt if they wish - could Wessex offer something similar and put savings into real terms for customers, to help incentivise.

We agree on the importance of reducing water usage and have had an extensive package of support for customers, such as in home water efficiency checks and fixing leaky loos, that we plan to continue out to 2030 for example, as well as expanding our work with businesses.

We are also in the process of launching an offer to customers for £10 water butts to help customers reduce their garden water use (with the added benefit of then reduce rainwater run off into the sewers where the water butt overflow is directed to the garden). We are carrying out 200 of these in Chippenham as part of our community connectors programme - linking water efficiency to storm overflow discharges by creating infrastructure that manages rainwater better.

The reductions in the Environment Agency have certainly had an impact on what water companies are expected to do and the reviewing of permit applications and variations. Whilst there is an argument that river water quality monitoring could be the role of the Environment Agency, we will seek to deliver what is asked of us as effectively as possible but the scale is huge. We already monitor areas such as flow conditions for example so will be expanding the role we play. For instance, as part of the Environment Act, we have been instructed to install in-river monitors at every storm overflow and sewage treatment works discharge. This data (which will include ammonia and dissolved oxygen) will be collected and shared on a national environment hub.

Question: Will Wessex Water offer free water butts to householders?

We are launching a water butt offer on 15th May 2023 for our customers to help them save water in the garden. Customers will be able to order up to 2 free water butts per household. There will be a delivery charge of £10 per butt. We are also carrying out a trial with 200 households in Chippenham to install free water butts combined with a solution to collect and divert the water from the roof away from sewers. Separating the surface water at the property can help reduce the likelihood of storm overflows operating.

Question: What are Wessex Water's aims to reduce the amount of water lost from leaking pipes?

We have made great strides in reducing leakage over the last 30 years or so, with volumes more than 60% down from historical levels. However, there is still more to do and we want to reduce that by another 8% by 2030. This is the next step in our ambition to reduce leakage by 50% from 2020 levels by 2050.

Question: It's good to hear of free water butts and pilot projects working with households to see how water can be saved. It would be even more reassuring to hear if you have a major education programme to enable households to do so much more at the micro level of everyday consumption. Making it crystal clear that water is a finite and utterly precious resource and we absolutely need to limit our everyday usage: some examples - turning off taps whilst teeth cleaning; washing vegetables in a bowl rather than under a running tap; putting washing up water on the garden plants and vegetables and household plants - alongside having shorter showers, flushing less etc. as is already being encouraged.

We absolutely agree that an engagement programme is critical to reducing our customers water use in the long term.

We have education advisors that go into schools or colleges to teach about to save water and also use sewers wisely. We also have a number of education centres across our region and an extensive online offering for teachers to use. This year we have reached almost 9,000 students and children.

We regularly run water saving campaigns (you may have seen some of our adverts on TV recently or social media) and work with customers to reduce their water (and energy) use in their homes by providing free devices and advice and a handy calculator, GetWaterFit, to identify easy savings in the home and garden and earn virtual coins for a charity. We also have an extensive Home Check programme where expert advisors carry out a water efficiency audit of the home, install free devices and fix leaky loos.

Understanding customer behaviour and how people use water at home is key. We use it to design our campaigns and water efficiency programmes. Our research shows that around 70% of customers already turn off their tap when brushing their teeth for example. Water used for showering is a key area to encourage people to think about, and most of our campaigns say that taking a minute off your shower time can dramatically reduce your water consumption - and energy. Copies of the research we've carried out to understand customers' water use and behaviour can be found here <https://corporate.wessexwater.co.uk/our-purpose/serving-people-and-places/customer-insight>.

Question: Some of the region's rivers are used to abstract water for the public supply. What actions are Wessex taking to protect the biodiversity of our rivers and their habitats from the risk of over-abstraction?

All our plans look closely at a number of factors affected by abstraction, in line with legal and regulatory obligations. This includes flow, ecology, habitats, and more. Every five years we update our Water Resources Management Plan to ensure we abstract sustainably from the environment and this plan is reviewed annually to ensure we are delivering against it. We also complete a large number of wide-ranging investigations into all these areas to inform both our current operations and our future plans. Where potential issues are identified, we look at a full suite of options to deliver improvement and always look to implement the most efficient approaches first. This could be working with customers to reduce demand, installing smart meters, reducing leakage, or bringing water in from elsewhere, all the way to creating more reservoir storage to reduce pressure on river habitats.

Question: Climate change is resulting in increased extreme weather events including drought, heatwaves, and increased water supply interruptions. How will you proactively help your domestic

customers and small high water dependent businesses to prepare to be more resilient to these changes so their negative impacts are lessened or prevented? [Question from Sustainability First]

That's a key part of our current offering with our Home Check service and something we plan to expand, providing water saving devices and tailored advice to the highest water users and fixing leaking toilets and taps for free. Our proposal for 2025-30 includes an increase in the scale of the Home Check programme coupled with an extensive and rapid roll out of smart metering. We are committed to a plan that will see us meet the Government's target for a 20% reduction in the amount of water we put into our supply network by 2037/38 and the long term vision for PCC to be 110 litres/day by 2050. We also work closely with the biggest non-household retailers in our area to support businesses, as well as offering tariffs to incentivise business customers to increase their resilience.

Question: What discussions are being had to widen your regional network to a national network?

We work closely as a regional group with South West Water and Bristol Water as part of the West Country Water Resources Group, and our Water Resources Management Plan is considering options for transfers with our neighbours.

We already have water transfers in place with South West Water, Bristol Water, Thames Water, Southern Water and Veolia.

Theme 3: Net zero and biodiversity

Question: As WW has land areas that could be suitable for PV and wind - would WW engage with community energy orgs to deliver decarbonised energy?

Yes - we have been looking at all our sites and identifying the ones best suited to solar PV generation, as well as neighbouring land. We will engage with renewable energy companies and community energy groups to develop this further as appropriate.

Theme 4: Customer service and affordability

Question: [Question from Sustainability First] Have you or will you be engaging with stakeholders in your region to develop a consumer vulnerability strategy outlining how you will deliver inclusive accessible services and protect customers and communities for 2025-30? When will this be published and how will it be updated? How do you see consumer vulnerability in your area changing in the next 5-15 years and what impact has that had on your business plan proposals and strategy?

Our vulnerability strategy, Every Customer Matters, is published on our website and is updated annually. It details the support we provide to customers in vulnerable circumstances (financial and non-financial vulnerability), the performance of our support schemes and the raft of initiatives we have delivered or have planned to raise awareness and increase uptake. It includes a number of case studies. The strategy is endorsed by multiple organisations representing vulnerable customers, who add their logo as a seal of approval for the services we are providing to their clients. The strategy is overseen by our expert and independent Vulnerability Advisory Panel which reports into our Customer Challenge Group. The current strategy includes initiatives up to 2025. The next publication, due in September 2023, will cover the period from now to 2030. We use insight and data from our expert advisers (Vulnerability Advisory Panel) and our many partners to make sure our support schemes meet the changing needs of our customers. One area of

change is the financial impact of the cost of living crisis on our customers which is seeing more require affordability support. In response we have introduced a fast track route to our discounted Assist tariff, made changes to speed up and simplify the application process for our other schemes, increased promotion of support, injected additional funding to increase capacity in the advice sector and introduced more data sharing to auto enrol more customers onto our support schemes. Our Business Plan outcome is to eradicate water poverty by 2030 by increasing numbers on our social tariffs to 100,000. We are also proposing to further increase the numbers on our Priority Services Register.

Question: Please ask Wessex Water why in 2023 as in 2022 they raised charges without telling metered customers directly?

We normally publish our new charges on our website in February once they are agreed with our regulator, Ofwat. They apply from 1st April. In readiness for the increase in prices from 1st April 2023 we increased our communication, including an article on preparing for bill increases in the November 2022 edition of our customer magazine which is sent to all customers across our region. We also added information to the charges, affordability and water efficiency pages on our website. We circulated an electronic newsletter in the New Year and updated our website with the final charges once they were available. We also published our statement of significant change (SOSC) in January, a document that all water companies are required to publish when there is going to be a price rise over a certain amount.

Question: How much financial support in total in £ do you propose to make available to customers struggling to afford their water bills 2025-30? How much/what percentage of financial support will be funded from shareholder profits? [Question from Sustainability First]

Data suggests that to eradicate water poverty we will need to increase the number of customers on our social tariffs to 100,000 by 2030. This will be funded through a cross subsidy on other customers' bills. We are currently speaking to customers to see what they believe is acceptable in terms of a cross subsidy. We have a range of support schemes to help customers afford their ongoing water charges and/or repay debt and customers are placed on the one that suits their own financial circumstances and ability to pay. Our main social tariff offers discounts of up to 90% on bills so the customer pays just over a £1 a week. Through the Wessex Water Foundation, the company funds the debt advice sector, who refer customers onto affordability schemes, and a variety of local community projects to improve financial resilience and money management. This funding is from outperformance.

Question: Will the bill increases be across the board or in line with usage?

The rise in the standing charge and the rate per cubic metre of water used and waste water returned is the same for all household customers, unless they are on discounted social tariffs. The impact on the total bill will vary depending on whether a customer is a low, medium or higher user.

Question: How does the company engage with its customers to ensure bills are affordable, what are customers telling you, and what are you doing in response?

We carry out extensive research with customers to develop our business plan. Part of that is understanding customers' priorities and then what they are prepared to pay to improve services. Once the plan is in draft we then test it with customers to see if it is acceptable and affordable and we make changes depending on that feedback. It is inevitable that price rises may be unaffordable for those on low incomes which is why we have a suite of low rate tariffs to help those customers, offering as much as 90% off bills. Our aim is to eradicate water poverty so it is likely that the number of customers on our social tariffs will need to increase to around 100,000 by 2030.

Theme: Miscellaneous

Storm overflows

Question: I would like to understand WW's priorities for the next AMP period (2025-30), in particular what targets the company is planning to set itself in terms of reducing the amount of time its storm overflows and Water Treatment Works overflow, polluting rivers and seas.

Please see our 2025-2030 storm overflow improvement plan map for further information:
<https://wessexwater.maps.arcgis.com/apps/dashboards/de7d66343e304703935403cf1beb398c>

Question: You say you are spending £3 million a month on sewage discharge reduction. Why so little when you have averaged £6 million a month to shareholders?

We are currently in the middle of our largest capital investment programme ever. You can read about the work we are doing here. <https://corporate.wessexwater.co.uk/our-purpose/financing-the-future/investment>. At £1.4bn over 5 years this is a capital investment spend of ~£23m a month. This is more than 4 times the amount paid to shareholders last year. £3m a month is the amount we are spending on storm overflow improvements. In our next 5 year business plan we propose increasing our spend on storm overflow improvement to ~£9m a month.

Question: Increasing numbers of people are swimming in open water and participating in water-based recreation. Some companies are publishing where they are discharging sewage into rivers and seas but it is hard to interpret what this data means i.e. is the water safe to swim in? Other companies are training staff and communities about water safety. How have you helped promote water safety for your consumers and employees and how do you propose to do this in your 2025-30 business plan so we can safely swim and play in our rivers and seas? [Question from Sustainability First]

We have broadcast live storm overflow operation near bathing and other amenity waters since 2012 via our Coast and Riverswatch page <https://www.wessexwater.co.uk/environment/protecting-and-enhancing-the-environment/bathing-and-inland-waters>. This data is provided to the Surfers Against Sewage for them to also broadcast. This information will be extended to all storm overflows later this year. However, this data does not tell people about actual water quality which can be influenced by factors other than storm overflows. To promote water safety we have developed an App that predicts in near-real time what bacteria levels are (which is what the Bathing Water Directive uses as a guide to public health risk). Until now it has been provided by the Environment Agency but with a 2 day turnaround time. This information is now available for Warleigh Weir, near Bath, via an App. We are now rolling this technology out to other sites. Importantly, the app informs people about water temperature and flow as well as water quality, to enable individuals make more informed decisions about swimming.

Question: Has there been any thought on when improving and updating storm drains and then using these times of overflow into rivers to generate electricity. Also being on a high tidal natural resource with our tidal rivers, is there any more thought on using these to generate electricity over the next 30 to 50 years?

Flows from storm overflows are unlikely to have sufficient flow and vertical drop to generate much electricity. They are also highly intermittent so it is unlikely to be cost effective.

River and tidal hydro power is more likely to be possible, but require environmental permits and ideally energy use to close to point of generation.

Water companies also typically only generate hydro electricity from our own assets, such as reservoirs, rather than rivers or tidal flows. If national and local planning laws allow, wind and solar are likely to be more effective as well as reducing energy use to reduce our carbon footprint.

As the electricity grid gets more and more renewable energy input, we are also likely to find that decarbonising other areas of our emissions, such as treatment works discharges, becomes better environmentally and cost wise.

Finance

Question: I would like Wessex Water to answer my questions on skills development, specifically: How many trade apprentices, other interns and work experience students, bursary students and other trainees in supernumerary positions does Wessex Water currently have on its payroll and what percentage of total headcount does this represent. Are you able to report these numbers for the previous 4 years? Over the past 5 years what percentage of total payroll cost has been spent on the training listed above and any other training?

		2019/20	2020/21	2021/22	2022/23	
Apprentices	Level 2 apprenticeship	12	9	7	7	
	Level 3 apprenticeship	33	32	18	23	
	Level 4 apprenticeship	6	4	13	5	
	Level 5 apprenticeship	9	2	2	2	
	Level 6 apprenticeship	0	5	9	7	
	Level 7 apprenticeship	1	2	3	2	
	Total	61	54	52	46	213
Sponsored Development*		22	9	0	6	37
Industrial Placements		23	29	13	13	78
Graduates		7	15	19	12	53
Support to Chartership		3	6	2	9	20
Work Experience		0	7	22	64	93
Kickstart		0	0	20	0	20
Total		116	120	128	150	514
Financial commitment	Levy	509,500	662,500	813,577	571,445	2,557,022
	Training Budget	137,975	42,354	0	26,600	206,929
	Total	647,475	704,854	813,577	598,045	2,763,951

*programmes such as stand alone degrees, HNCs, AAT, MScs, levy top up)

We have been committed to the government's 5% club since 2020, which encourages business to allocate 5% of its workforce to being in long term, recognised development (Apprentices/ Grad/ HNCs etc). We operate at between 5% and 8% every year. We don't offer any long term unpaid placements as we believe that if someone is working for us, they should be paid. We've included Kickstart for information but it's only relevant for 2021/22. In the last 4 years we've offered over 38 different apprenticeship programmes, not just trade, shown in the table by level, rather than subject/sector. The numbers provided represent the starters that year;

some programmes are 12 months long, other 6 years. The financial commitment reflects the amount we committed to spend. In some cases people withdrew, so we didn't spend the full amount.

Question: Interested to hear how much Wessex's profits impact bills broken down in the same way we have just seen for customer benefits. [Question from Surfers against Sewage]

The level of profits in bills is set by the economic regulator, Ofwat. For the current five-year period Ofwat allowed a return to investors of 2.96%, the lowest level since privatisation. This means that around one-fifth of the typical water bill is profit.

Question: Is there no room for reducing dividends and bonuses to reduce the impact on customer bills?

Dividends have halved in recent years and the economic regulator, Ofwat, has indicated that they will reduce again in the coming five-year period. Bonuses will also be lower this year.

Question: Out of Touch - Incomes for most people are not going up - mainly we are not the beneficiaries of pay review by Board Committees - I'm sure Bonuses and pay increases could be absorbed by reduced dividends - at least as a way of saying we are 'all in this together'

Many people have their pay set by independent pay review bodies. The latest ONS figures show that average pay has risen by 5.9% over the past year. Wessex Water dividends have halved in recent years and executive bonuses this year are also reduced. We know that many households are struggling financially at this time and have introduced a wider range of assistance tariffs, with over 55,000 struggling households currently receiving lower bills.

Question: Surely if WW/YTL Group had been investing in the infrastructure improvements to prevent sewage from polluting our waterways they wouldn't require so much more money now to fix these problems?

We have invested significant amounts of money, aligned with the amounts allowed by the regulator, to make infrastructure improvements. However, we have argued that this has not been sufficient and that we want to go further. That's what our plan for 2025-2030 sets out.

Question: As water is a "natural monopoly" and vital to life, it should obviously be either in public ownership or run "not for profit". Will Wessex Water please stop executive bonuses & shareholder dividends and invest the money in infrastructure instead?

Dividends have halved in recent years. Last year the dividend was £62m while investment was £279m, so more than four times the dividend payments. If we stopped paying dividends, the equity investors would invest elsewhere - currently their investment is worth £2.6bn and their dividend payment is therefore a return of just 2.4%.

Question: Why are customers having to pay for improvements to critical infrastructure when shareholders were paid 63.5 million in dividends?

See answer to previous question.

Question: Why were six figure bonuses paid to 4 individuals who are tasked with protecting and enhancing the environment despite the 29,000 sewage spills in 2022; the drop in EA rating from 4* to 2* in 2021 and the red flags for missing targets over increasing stretches of clean rivers and beaches in 2022?

Bonuses are set by an independent committee. This year the committee awarded no bonuses to any executive directors for the environmental element of the company performance.

Question: What percentage of Wessex Water is owned by overseas investment firms, private equity, pension funds and businesses lodged in tax havens?

Currently 65% of Wessex Water is owned by debt investors - these investments are traded on the debt markets so it is not possible to give percentage splits between different ownership types. However, they will include large household names such as Legal & General, M&G, and BlackRock. The remaining 35% is equity that is 100% owned by YTL Corporation, a Malaysian-based business with a straight-forward financial structure and a long-term commitment to investing in infrastructure assets. YTL has owned Wessex Water since 2002.

Question: Please ask Wessex Water why their only contribution to the Water Aid charity is £14,000 worth of free publicity when they can afford to pay their directors excessive salaries and repatriate to Malaysia multi millions in profits? The figure of £14,000 was obtained directly from Wessex Water.

Although Wessex Water makes only a small direct contribution to WaterAid, we support many of our staff and supply chain in raising money for this excellent charity. Last year our staff and partners raised an amazing £128,000, despite the challenges of organising events during Covid.

General

Question: How far are you thinking about engaging younger people/future generations in your business plans and long-term thinking? [Question from Sustainability First]

It is very important to engage younger people as we need to understand their attitudes and views and what they want from their water services in the future. We do this in a number of ways. We make sure we include quotas of future customers in our research projects where it is feasible to do so. In some of our research, particularly around water use behaviour, we have looked at intergenerational differences interviewing grandparents, parents and younger people in one household. We also have a very well established and successful Young People's Panel that has been running since 2016. Each year we recruit around 25 young people, 16-18 years old, who learn about Wessex Water, take part in discussion groups on key topics and are set a business challenge. They work in teams to come up with solutions which are judged by a panel, similar to the TV show, The Apprentice. We have implemented many of their ideas such as our meter cash back guarantee, our digital job tracker and an innovative and comical sewer misuse campaign.

Question: Can you provide examples of where you have genuinely co-created solutions with your local communities, customers and wider stakeholders to improve service design and support the environment? [Question from Sustainability First]

We have a very well established and successful Young People's Panel that has been running since 2016. Each year we recruit around 25 young people, 16-18 years old, who learn about Wessex Water, take part in discussion groups on key topics and are set a business challenge. They work in teams to come up with solutions that will resonate with younger people which are judged by a panel, similar to the TV show, The Apprentice. We have implemented many of their ideas such as our meter cash back guarantee, our digital job tracker and an innovative and comical sewer misuse campaign.

Question: How does your public purpose influence your business plan proposals in terms of where you go above and beyond core water business services? How are you planning on supporting citizens rather than just customers during the next AMP? [Question from Sustainability First]

We have worked with our stakeholders to refresh our company purpose, which reflects our role in supporting our customers' health and well-being and enhancing the environment. The wheel presented in the last slide

includes the eight long-term outcomes we have identified with stakeholders, each of which is underpinned by aims to go well beyond our traditional sphere of activity.

In particular, we have committed to:

- Continue to lead the water industry on the delivery of core services for customers, communities and the environment, despite the steeply rising challenges involved in doing so.
- Raise the bar on what is considered leading performance, looking outside of the water industry for benchmarks and committing to even higher levels of service.
- Rise to changing societal expectations on the health of the water environment, including a commitment to completely eliminate the discharge of untreated sewage from storm overflows by 2050.
- Playing our part in addressing wider societal and environmental challenges, which will take us into a new realm of environmental stewardship and leadership.

We want to do all this through partnerships – partnerships with farmers, with landowners, with customers, communities, environmental groups and others. We want to prioritize multi-benefit nature-based solutions over carbon-intensive concrete and steel infrastructure.

We're working to transform our relationship with customers and communities. We are running two pilot projects, one in Chippenham and the other in Bridport, to understand how we can work more effectively at a grassroots level with local people as citizens to deliver shared environmental and social goals. We'll apply these lessons in 2025-30 to more communities in our region.

We are collaborating with four Rivers Trusts to recruit and host Water Guardians, which provides a vehicle to enable citizens to take practical action to manage and improve their local river. For AMP8, we hope to scale the Water Guardian programme and are also working with the Rivers Trusts nationally to develop a Citizen Science Platform, which will provide equipment and training to volunteers to take water quality samples at designated locations throughout the year.

Question: Would you agree that catchment thinking and investment in nature-based solutions will address issues across the 4 areas of concern you are covering today?

Yes, we strongly believe that catchment thinking is critical to ensure we make the most efficient choices in delivering the outcomes that matter to customers, communities, and the environment. Nature-based solutions are also going to play an important part in our plans and we are pleased to have pioneered many of those over recent years. They will work alongside traditional solutions in many cases, particularly as nature requires significant amounts of time and space.