

Green Recovery Initiative

new
deal

**Response
to the Draft
Decision**
June 2021



Response to the Draft Decision

June 2021

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¹ Storm Overflow Assessment Framework

Executive Summary

Our Green Recovery Initiative provides much needed investment that will support the creation of up to 500 additional jobs across our regions over the next four years and provide further opportunities for South West Water's existing workforce to gain new green skills.

Our Initiative has been supported by our customers with an acceptance rating of 81% along with support from South West Water's independent WaterShare+ Advisory Panel.

At South West Water, our resilience in these tough times, our ability to deliver sustained on-going performance, together with the reshaping of the Pennon Group with a focus on UK water, means we are well positioned to step up and play our part with our new proposed Green Recovery Initiative.

Our plans included bringing forward investment, accelerating delivery of current plans, and developing new and innovative solutions to the issues facing us today and in the future.

Customer support for our Green Recovery Initiative is high

Our Green Recovery Initiative is built on the views of customers. We consulted with our customers to understand their views and support for our investment proposals and were pleased with the high acceptability of our proposals, showing that we have selected the right areas and scale of investment.

Through qualitative online focus groups held since the draft decisions with a mix of customers across the South West Water and Bournemouth Water regions, we heard that customers continue to support our plans.

Our customers continue to support a green recovery: this is important and desirable for the region. We heard that customers have near universal support for a green recovery to address the economic and social impact of Covid-19 that targets investment in the South West. Customers also told us that they welcome Ofwat's approach to ensuring company plans reflect customer views and priorities.

All customers engaged in the focus groups thought our plans to support a green recovery – and the timing of bill impacts – were acceptable, affordable and value for money. We have the right initiatives and the right focus.

Customers again confirmed they are particularly supportive of initiatives that support public health, improve river quality, and support the reversing of climate change. Customers were also pleased to see the impact of the investment on jobs, especially given the impact of current pandemic on job losses.

up to **500**
regional jobs created



81%
customer
acceptance
of our plan

“I support it, it all seems like quite important things for them to be working on.”

SWW customer,
Female, Age 18-30

“It's always good to ask your customers what they think rather than just assuming you think you know what's best for them, so to actually ask people, that's a great idea.”

BW customer, Male

Executive Summary continued

Our customers are satisfied with our progress in delivering our five-year plan. The vast majority of customers consider it acceptable for companies to move at differing pace across the targets, and the overwhelming view was that our customers are satisfied or very satisfied with our current progress based on 2020/21 results. More than 9 out of 10 customers indicated they were satisfied, with all other customers giving a neutral response. No customers were dissatisfied with our performance. Customers are therefore confident that we can take on these additional responsibilities, supporting a green recovery for the region.

Overall customers are supportive of the ambitions of the plan, which is seen as supporting the environment and the economy in line with their views.

Stakeholders positive about our plans

Our Independent WaterShare+ Advisory Panel has been very supportive of our Green Recovery Initiative and will play an important role in ensuring that we deliver for our customers.

“ The WaterShare+ Advisory Panel is all about ensuring South West Water delivers on commitments to customers. These plans for further enhancing the environment, public health, creating new and better jobs are welcomed, especially as customers’ bills won’t be impacted. ”

Lord Matthew Taylor

Chair of the WaterShare+ Advisory Panel

We have also had support from many of our external partners, particularly those that are instrumental in delivering our catchment management programme:

- Westcountry Rivers Trust
- Devon Wildlife Trust
- Dartmoor National Park.

These organisations were engaged in the development of our proposals and are supportive of the plans put in place.

In addition, South West Lakes Trust, the charity which operates recreational and education activities on our reservoir sites, also recognised the importance of the investment in catchment management. South West Water has also received support from the Centre for Resilience, Environment, Water and Waste at the University of Exeter, who see this as an opportunity to expand our collaboration to date.

9/10

customers **satisfied** or **very satisfied** with our 2020/21 performance



WaterShare+

 **Upstream Thinking**



Devon
Wildlife Trust



UNIVERSITY OF
EXETER

Our reflections on the Draft Decision

We received your Draft Decisions in May this year and we were pleased that our proposals have been well received, recognising our ability to deliver our proposals and customer acceptability for our planned investments.

We have carefully considered your response and are supportive of the majority of outcomes from your decision and are pleased that c.90% of our proposals were allowed within the Draft Decision.

Delivering our outcomes – Outcome Delivery Incentives

We welcome Ofwat's approach to Outcome Delivery Incentives (ODIs). We recognise the importance of ensuring customers are protected and only pay for what is delivered, and therefore support ensuring changes to Performance Commitments (PC) and ODIs are proportional to delivery. We consider Ofwat's proposals to be appropriate and enable us to efficiently invest in line with our customers priorities and preferences.

Our Green Recovery Initiative allows us to improve performance against four of our 44 PCs.

We welcome the ex ante change to the Biodiversity Enhancement performance commitment which ensures customers only pay for the improvements they receive. This will support nature based investment in the region, which in turn will improve water quality, reduce flooding risk, and increase carbon storage, which are high priorities for our customers.

We will use best endeavours to support the wider assessment of green recovery benefits around Leakage and Per Capita Consumption. We will capture these benefits and ensure they are reported separately so that customers are protected from unearned outperformance payments.

Finally, we agree that the installation of AMR meters outcome delivery incentive does not need to change, given its reputational nature. We support the Ofwat approach to adjusting funding based on delivery.

Investment decisions

Quality water for all

Our 'Quality water for all' initiative related to a pilot scheme addressing private water supplies, targeting those with public buildings that are used by our customers and communities as well as supporting the regional tourism economy. The Drinking Water Inspectorate (DWI) has identified this as a significant risk and strategic priority.

This investment has not been allowed as Ofwat views that there are already avenues that owners of these water supplies can connect to our network with an appropriate charge.

Given the pilot nature of this programme and working alongside the DWI, South West Water may consider undertaking the proposed engagement programme with private supply owners which could result in some investments being made outside of the Green Recovery Initiative reflecting our commitment to the region.

c.90%
of proposals **allowed**

£0.5m
clarification



34%
of all private supplies
are **in the South West**

Smarter, healthier homes

For our 'Smarter, healthier homes' proposal we understand Ofwat's position around recovering the costs of meter renewals as part of base allowances in later periods. We reflect that this may not be the best way to remunerate these costs in full given our meter penetration rate has been consistently higher in the industry for over 15-20 years. This results in a disproportionately high number of meter replacements today relative to other companies, as these reach the end of their life.

Despite the draft decisions that these will be remunerated in AMP8, we will continue with our plans to invest in AMP7. We do however ask that these are fully accounted for in PR24, for example – that we can include these in PR24 data tables (i.e., the actual AMP7 meter replacements are included within AMP8 forecast levels to ensure recognition of these meter replacements within the PR24 determination).

We also seek that cost assessments in PR24 do not identify this as inefficient through the earlier meter replacements – recognising that our historical AMP7 costs (excluding Green Recovery) will be higher as a result of this activity. Given the separate reporting of our Green Recovery Initiative, we hope this principle around efficiency applies to all of our green recovery investment.

Storm overflows

We are committed to being transparent about when and how storm overflows are used across our region. Whilst storm overflows are a vital part of the sewerage system, it is a high priority for our customers that we upgrade and enhance our infrastructure to address the challenges of changing weather patterns and development growth. We therefore are committed to installing monitoring devices to understand storm overflow activity.

In our Green Recovery Initiative we put forward investment to support our commitment which is aligned with the priorities developed by the Storm Overflows Taskforce. Whilst Ofwat's draft decisions do not allow for funding for these environmental outcomes, we will meet the commitments we made although we are disappointed to have an unfunded commitment. We stress that this should not set a precedent around the funding of public commitments that are from collaborative working. This is in line with customers' expectations and our board pledge around environmental leadership.

Tax

We agree with the overall proposal set out by Ofwat, in that a tax reconciliation will adjust for the changes in capital allowances rates and changes to the headline corporation tax rates which will impact on the Green Recovery investments. We support an ex-post adjustment so this will reflect the actual tax impact and recognise the inherent uncertainty in assessing capital allowances based on forecast nature and timing of expenditure.



Reporting green recovery progress

We recognise the importance of tracking performance and delivery of our Green Recovery Initiative. Our plans identified a number of performance commitments to ensure we deliver on our proposals and whilst an additional level of reporting we responded positively to the proposals and agreed that we would provide further information in our Annual Performance Report and Regulatory Reporting on an annual basis.

As requested we have separately provided the detail we would propose to include in future regulatory reporting tables and provided additional commentary to the proposed reporting.

Our clarifications

Following the publication of the draft decisions we sought clarification on a number of aspects relating to our Green Recovery Initiative and have provided additional evidence or revised our definitions where requested. We have carefully considered the efficiency challenges and funding decisions from Ofwat and, except for one area where cost clarification was highlighted in our early clarifications, we are accepting of the overall allowances.



Investment ² £m	SWW proposal	Ofwat adjustment	Ofwat Draft Decision	SWW clarification	Proposed allowance
Water resource grid enablement	26.046	(3.344)	22.702	-	22.702
Smarter, healthier homes	19.646	(2.063)	17.401	-	17.401
Storm overflows	10.550	(3.489)	7.062	0.580	7.642
Catchment management	10.000	(1.000)	9.000	-	9.000
Knapp Mill WTW	25.008	(0.131)	24.877	-	24.877
Quality water for all	2.000	(2.000)	-	-	-
Total (2017/18 prices)	93.068	(12.027)	81.042	0.580	81.622
Total (2017/18 CPIH deflated)	95.059	(12.284)	82.775	0.592	83.367

Smarter, healthier homes

Following discussions and clarifications since the Draft Decisions were published, we are proposing to amend the definition of smart metering data availability to reflect the investment proposals and also the area of metering roll-out.

Storm overflows: SOAF funding

We have provided evidence of our more granular cost build up and the efficiency of these costs is provided, based on your request for additional information.

Recognition of RCV

We believe that a consistent approach for all companies in recognising the additional RCV within the shadow RCV should be applied. This would ensure that companies financeability and debt covenants are not impacted by the Green Recovery Initiative.

2 2017/18 price base. Actual investment to reflect 2017/18 CPIH deflated consistent with the price base used at PR19

Detailed responses

Recognition of RCV

Our Green Recovery Initiative considered the financial impacts of delivering our proposal with a desire to keep bills affordable for customers whilst ensuring that we can finance our plan.

As a result, we proposed to defer any cost recovery until 2025, meaning there would be no impact for customers before 2025 – in addition noting that existing regulatory mechanisms could be used to reduce the impact to future bills.

Whilst we continue to support the deferral of cost recovery into PR24 to keep customer bills affordable at a time they need the most, we believe that a consistent approach for all companies in recognising the additional RCV within the shadow RCV for AMP7 should be applied. This would ensure that companies' financeability and debt covenants are not impacted by the Green Recovery – this is consistent with the approach taken for other RCV adjustments identified post the Final Determination.

Based on the revised profile, the RCV recognised each year on an NVP neutral basis would be (excluding the tax adjustment):

£m	2020/21	2021/22	2022/23	2023/24	2024/25
Investment ³	0.251	10.110	29.948	56.390	83.367

Tax impacts on green recovery

We agree with the overall proposal set out by Ofwat, in that a tax reconciliation will adjust for the changes in capital allowances rates and changes to the headline corporation tax rates which will impact on the Green Recovery Investments. We agree that this should be an adjustment to RCV – particularly for those companies who are deferring recovery of revenue from customers until 2025 – and outside of the existing PR19 Tax reconciliations.

We are supportive of an ex-post adjustment to reflect actual tax savings of the Green Recovery as it removes the risk of the allowances being determined on estimated data and provides a more reliable basis for calculating the adjustment required to RCV. We believe that given the changes in the capital allowances – with the potential super-deduction of 130% (against an 18% ordinary rate) and an increase in the first year allowance of 50% (compared to 6% usual) special rate – there is greater uncertainty of the potential tax benefits as the nature and timing of the investment could significantly change the tax allowances which can be claimed.

In addition, there can also be challenges in the timing of calculating tax allowances for larger schemes where allowances are claimed as incurred based on an estimated profile but are 'finalised' when the final costs are available and adjusted in the current year – this may mean a delay in actual expenditure could be ineligible for super deductions.

³ In 2017/18 CPIH deflated prices consistent with PR19. Excludes the tax and financing adjustments for NPV neutral impact at PR24

Detailed responses continued

This further uncertainty emphasises the need for this to be an ex-post adjustment so it can be based on actual tax impacts.

This approach will ensure that customers and companies are not carrying any additional risk – with the RCV adjustment for tax adjustments on actual expenditure in the final year reflected as a 2024/25 blind-year adjustment consistent with the ‘normal’ processes following a price review.

We would like to emphasise the level of uncertainty in the tax benefits for the Green Recovery which are very dependent on the nature and timing of expenditure over the period. We would estimate based on a high-level review of the projects that the tax benefit would be c.£4-6m.

Investment clarifications

Our Green Recovery Initiative identified six schemes totalling c.£93m⁴, as areas where we could support your ambition of building back greener from the pandemic: delivering lasting environmental improvements for current and future generations, while meeting the economic and social challenges England faces.

We are therefore pleased that Ofwat's draft decision also provides support to five of these six schemes, and we have previously asked for clarification on relatively minor points associated with some of the expectations and arithmetic calculations in your assessment of our 'Smarter, healthier homes' and 'Storm overflows' investment cases.

Investment £m	SWW proposal	Ofwat adjustment	Ofwat Draft Decision	SWW clarification	Proposed allowance
Water resource grid enablement	26.046	(3.344)	22.702	-	22.702
Roadford Pumped storage	12.818	-	12.818	-	12.818
Raw water transfer	13.228	(3.344)	9.884	-	9.884
Smarter, healthier homes	19.464	(2.063) ⁵	17.401	-	17.401
Smart meters	8.164	(2.063)	6.101	-	6.101
Lead pipes	9.885 ⁶	-	9.885	-	9.885
Supply pipes	1.415	-	1.415	-	1.415
Catchment management	10.000	(1.000)	9.000	-	9.000
Knapp Mill WTW	25.008	(0.131)	24.877	-	24.877
Storm overflows	10.550	(3.489)	7.062	0.580	7.642
EDMs	2.780	(2.780)	-	-	-
SOAF	2.000	(0.709)	1.292	0.580	1.872
River pilots & s/w separation	5.770	-	5.770	-	5.770
Quality water for all	2.000	(2.000)	-	-	-
Total (2017/18 prices)	93.068	(12.027)	81.042	0.580	81.622
Total (2017/18 CPIH deflated)	95.059	(12.284)	82.775	0.592	83.367

4 Uplifted to £93.068m to include the additional lead replacement to point of compliance

5 This was identified as £1.970m by Ofwat in the draft decision. We have since been informed this was an error and the disallowed costs were £2.063m

6 Including the additional cost of £2.612m for lead replacement to point of compliance

Smarter, healthier homes

Following correspondence with Ofwat since the Draft Decision, we have been requested to provide clarification on two elements of the case: 1. Data availability; and 2. Smart metering for meter optants and new connections outside of the North Devon pilot area.

Clarification

We propose the following rewording of the data availability clause in Table A1.20:

“Provide the functionality for ready access to meter data by customers (directly or via contractors/agents) and the company at near real time, with data updated daily for the majority of installations.”

Similarly, we can confirm that 44,800 meters are proposed for optants and new connections across the region and 76,072 replacement/upgrades are in North Devon.

As we stated in our business case, meter optants and new connections provide the most cost effective opportunity for customers to benefit from new smart metering technology. Therefore, we ask that these restrictions are removed.

As set out in our business case⁷, we evaluated smart metering options and discarded the more expensive fixed network solutions which would be necessary to provide customers with a guaranteed level of service for hourly consumption data. We provided further information on this in our query SWB GR RFI 003.11-14.

Instead we opted for an Internet of Things (IoT) solution which is capable of providing customers with daily consumption but without the expensive infrastructure establishment costs necessary for more frequent data transmissions. For confirmation, we are proposing technology that will provide a daily consumption figure as well as information about any alarms, i.e., a leak alarm which is triggered when the meter records continuous flow throughout a 24 hour period.

Therefore, as requested, we propose the following definition for data availability within Table A1.20 under our ‘Smarter, healthier homes’ delivery requirements.

“Provide the functionality for ready access to meter data by customers (directly or via contractors/agents) and the company at near real time, with data updated daily for the majority of installations.”

We can also confirm that 44,800 meters are proposed for optants and new connections across the region and 76,072 replacement/upgrades are in North Devon.

To enable us to provide smart metering benefits to new connections and optants, we ask that the condition preventing smart meters being installed at the customer’s request (optants) is removed from the measure definition in Table A1.20. This clause conflicts with our business case and would prevent the cost-effective upgrade to smart meters for these customers.

⁷ Smarter, healthier homes. Appendix A. Assessment of options

Investment clarifications continued

Please also consider that our business case makes an allowance for c.25% of meter optants and new connections to begin receiving their daily consumption data and leak alarms in AMP7. This will occur when a critical mass is established in an area outside of North Devon. Our proposed definition around data availability is therefore important.

Storm overflows: SOAF funding

A cost reduction of £0.709m has been applied to the Storm Overflow programme associated with the delivery of 100 SOAF projects reducing the programme from £2.000m to £1.292m.

Clarification

We provide additional information to support a clarification of £0.580m with the SOAF programme being £1.872m.

This makes allowance for the additional SOAF costs associated with the greater number of investigations at Stage 1 and the modelling of catchments which we consider are not part of the cost benchmark which has been used with United Utilities and Severn Trent.

We have provided a more detailed breakdown of our SOAF stage costs to support our position.

Need for investment

We recognise the value of comparative efficiency comparisons and accept that the other benchmarks are lower than those that we had submitted as part of our Green recovery proposals. This reflects the industry's early delivery of these programmes and it is important to see early benchmarks visible within these Green Recovery programmes. These benchmarks on face value would suggest that there are efficiencies to be delivered with the processes South West Water has deployed to deliver the SOAF schemes.

Having reviewed the data and your draft decision for other companies, we consider that some of the financial cost differences are with the costs of hydraulic modelling associated with the SOAF investigations. These are elements that you have funded differently for each of the companies. For example, for United Utilities you have separately funded the IUDM proposals.

As you will be aware, the need for a hydraulic assessment is a defined stage within the SOAF process (Stage 1c). The SOAF guidance states:

“If a verified hydraulic model of the overflow is already available, this should be used to assess whether the high spill frequency is a genuine reflection of the permitted hydraulic design of the asset, and the amount of connected area contributing rainfall runoff. Alongside asset inspections carried out under stage 1b (above), models may have already been used to determine that the high spill frequency is not due to maintenance issues.

Investment clarifications continued

Where a verified hydraulic model is not already available, a new model **will be required** to predict the performance of the overflow. A verified model is also likely to be required in order to quantify the environmental impact of the overflow under stage 2. In order to have confidence in model predictions, models should be verified in accordance with the CIWEM Urban Drainage Group Code of Practice for the Hydraulic Modelling of Urban Drainage Systems (CIWEM UDG, 2017). The EDM datasets will assist with verification.”

Within South West Water we maintain hydraulic models of our urban catchments where it is economic to do so. However, in rural areas we construct and build models on a case by case basis as needed. Many of the SOAF investigations are on storm overflows which are rural in nature hence the need for a model to be constructed and verified as part of the SOAF delivery process. As such, we included these costs within our unit costs for the Green Recovery plan as they are a required element of the SOAF programme.

Need for adjustment

In Table 1 we have provided a benchmark of costs by SOAF stage based upon our most recent assessment of costs in May 2021. As requested, we have separately assessed the costs for each stage of the SOAF process and the number of storm overflow investigations which would need to be undertaken to achieve a further 100 SOAF investigations at stage 4.

SOAF	Severn Trent Water			United Utilities			South West Water		
	Unit rate	Number	Total £m	Unit rate	Number	Total £m	Unit rate	Number	Total £m
Stage 1	£3,188	220	£0.701	£2,100	587	£1.233	£2,317	248	£0.575
Stage 2		Unavailable		£2,675	300	£0.803	£2,926	163	£0.477
Stage 3		Unavailable		£5,225	150	£0.784	£4,950	100	£0.495
Stage 4		Unavailable		£3,775	150	£0.566	£3,250	100	£0.325
Stages 2-4	£9,564	120	£1.148	£11,675	150	£2.153	£11,126	100	£1.113
Stage 1-4	£12,752	120	£1.849	£13,775	150	£3.385	£13,443	100	£1.866
Complex	£91,590	30	£2.748	-	-	-	-	-	-
Total			£4.597			£3.385			£1.872

Table 1: Benchmark SOAF costs for each stage of the SOAF process. (UU and Severn Trent costs analysed from Green Recovery public domain documents).

As shown in Table 1, our unit cost of delivery for Stage 1 is slightly higher than the benchmark of United Utilities but is lower than those proposed by Severn Trent. We believe that these costs are higher as the United Utilities costs exclude the modelling costs at Stage 1 as these are funded separately. Costs for stages 2-4 are lower than United Utilities but slightly higher than the Severn Trent costs.

Overall the detailed programme demonstrates overall costs of £1.872m compared to the draft decision allowance of £1.292m. Delivering 248 SOAF studies to stage 1, 163 to stage 2 and 100 to stages 3 and 4.

Robustness and efficiency of costs

For SOAF benchmark costs, Table 1 above sets out our benchmark costs for each stage of the process along with our predicted number of overflow investigations at each stage.

Based upon the overall programme costs and SOAF outcomes at Stages 3 and 4 the SWW average cost is £18.7k per SOAF completed investigation (100 SOAF), United Utilities achieve £22.5k per SOAF (150 SOAF completed) and Severn Trent costs are £30.6k per SOAF (120 and 30 complex SOAFs). At a programme level, we see that the SWW costs are the lowest of the three companies and deliver best value for customers and the environment. This is close to the £20k per SOAF investigation we had assessed as part of our original Green Recovery Proposal.

Based upon the above analysis we consider that our costs are efficient and are robust.

Best option for customers

This project accelerates the delivery of 100 SOAF investigations (stages 1-4) from the AMP8 period into AMP7 whilst also delivering 245 studies at Stage 1 and 142 at Stage 2.

The unit costs per completed Stage (1-4) SOAF project are lower than those proposed by both United Utilities and Severn Trent.

We have tested these costs with our customers as part of the Green Recovery Initiative and our customers supported our original proposal of £2m to deliver the 100 SOAF schemes. We consider that customers would be supportive of the reduced costs of £1.872m whilst delivering the same 100 SOAF schemes (Stages 1-4) as well as additional schemes at Stages 1 and 2.

Refreshing our understanding of customer views

Throughout the development of our Green Recovery Plans, the views of customers have been paramount.

Our plan throughout has been formulated with customers – with over 700 current and future customers engaged in developing and testing our plans between October 2020 and January 2021.

We have confirmed our plans with customers

We have conducted further research since the draft decisions to check if customers remain committed to our proposals and if they consider we are now placed to deliver our plans, for example by being on track with our five year commitments after the first year of the regulatory period.

Through qualitative online focus groups with customers across the South West Water and Bournemouth Water regions, we heard that customers continue to support our plans. We have listened to the views of a mix of customers: differing socio-economic groups and ages, metered and unmetered, and those with long term health issues and/or disabilities.

Our customers continue to support a green recovery: this is important and desirable for the region in light of the Covid-19 pandemic.

Our plan continues to target the right initiatives

We heard that customers have near universal support for a green recovery to address the economic and social impact of Covid-19 in the South West. Customers also told us that welcome Ofwat's approach to ensuring our plans reflect their views and priorities.

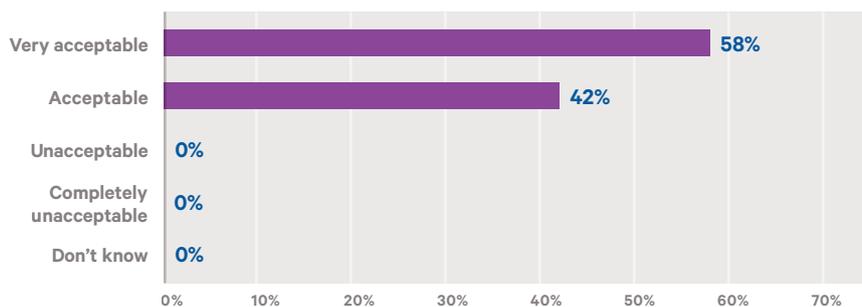
All customers that engaged in the focus groups thought our plans to support a green recovery and bill impacts were acceptable, affordable and value for money. We have the right initiatives and the right focus.

“I definitely feel you’re only seeing a negligible increase in bills but a substantial increase in sustainability and public health improvements.”

SWW customer, Male, Age 18-30

Customers were pleasantly surprised with the timing of bill impacts from 2025. And whilst there was substantial support for a larger programme than we propose, customers recognised the need to balance investment with bills to ensure they can be affordable for all.

Customer acceptability of South West Water's Green Recovery proposals



“I think that’s brilliant, especially during the times that we’ve had recently.”

BW customer, Female

“It looks like you’re doing really well, there’s quite a lot significantly ahead which is really good.”

SWW customer, Female, Age 31-55

“I think it’s extremely affordable, even for people on low income, I’d class myself as being on quite a low income, but £5 a year is literally pence per month.”

BW customer, Male

100%

of customers find our proposals **acceptable** or **very acceptable** in recent research

Refreshing our understanding of customer views continued

Customers again confirmed they are particularly supportive of initiatives that support public health, improve river quality, and support the reversing of climate change. Customers were also pleased to see the impact of the investment on jobs, especially given the impact of current pandemic on job losses.

Customers trust we can deliver these plans

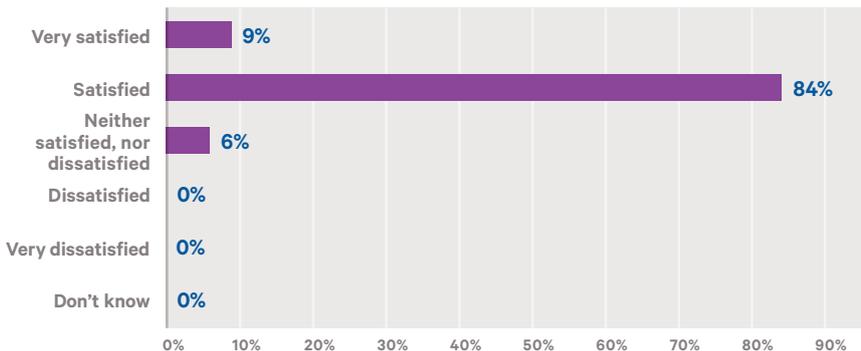
Customers trust that we can increase our plans to deliver the extra investment in the region.

Overall, customers are satisfied with our progress in delivering our current five-year plan, where we have c.80% of our commitments on or better than target.

We heard that customers consider it acceptable for companies to move at differing pace in delivering against targets, and the overwhelming view was that our customers are satisfied or very satisfied with our current progress based on 2020-21 results.

More than 9 out of 10 participants indicated they were satisfied, with the rest giving a neutral response. No customers engaged were dissatisfied with our performance.

Customer satisfaction with South West Water's current progress towards 2025 targets



Customers are therefore confident that we can take on these additional responsibilities, supporting a green recovery for the region.

Our customers are supportive of the ambitions of the plan, which is seen as supporting the environment and the economy in line with their views.

“I support it, it all seems like quite important things for them to be working on.”

SWW customer,
Female, Age 18-30

“The bit about Dartmoor National Park – it’s a huge area. Utilising that to help with climate change has got to be good.”

SWW customer,
Male, Age 56+

”

“It looks like you’re doing really well. There’s quite a lot significantly ahead which is really good.”

SWW customer,
Female, Age 31-55

9/10

customers **satisfied** or **very satisfied** with our 2020/21 performance



South West
Water



Bournemouth
Water

South West Water Limited, Peninsula House, Rydon Lane, Exeter EX2 7HR, Registered in England No 02366665

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