

Our business plan 2025 to 2030

Summary

October 2023



At a glance: our business plan for 2025 to 2030

Water is essential for a clean and thriving environment and a healthy, prosperous society.

We will spend more than £400 million to transform our service and deliver more for our customers, environment and local communities. We've made commitments across four areas over the next five years which reflect our customers' priorities.

**By 2030
we will**



Provide high quality water from sustainable sources

- Continue to always provide high quality water
- Maintain low levels of customer contact about the taste, smell and appearance of their water
- Replace lead pipes at 170 nurseries, schools and colleges
- Continue to soften water to the target level.



Deliver resilient water supplies from source to tap with minimal wastage

- Cut leakage by 26.6%* and reduce it by more than 62% by 2050
- Reduce interruptions to customers' water supplies and have no interruptions longer than three hours by 2050
- Reduce water main bursts and have 50% fewer bursts by 2050
- Reduce unplanned supply site outages to less than 1% of our peak weekly production capacity, eliminating unplanned outages by 2050.



Reduce your water footprint and charge a fair and affordable price for what is used

- Reduce household customers' average water use by 11%*, moving us towards the Government's target of 110 litres per person per day by 2050
- Help businesses lower their water use by 5%* and continue to deliver a 17% reduction by 2050
- Improve customer satisfaction to above the water industry mid-point, delivering consistently high levels of satisfaction
- Improve our service to housing developers and others requiring new water main connections, so our performance is above industry mid-point
- Provide a high-quality service to all business retailers.



Improve the environment and have a positive impact on the local area

- Cause no serious pollution incidents and always remain fully compliant with our discharge permits
- Increase biodiversity across almost 80% of our land to start the journey of achieving more than 50% biodiversity net gain on our sites by 2050
- Continue to reduce our operational and embedded carbon emissions so we achieve net zero by 2050.

* from 2019/20 levels

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Welcome from our CEO



Our business plan for 2025 to 2030 will deliver our purpose **to harness the potential of water to enhance nature and improve lives.**

Building on our strong track record of providing you high quality and reliable water supplies, we'll continue to transform our service through targeted investment to enhance our performance for customers and continue to protect the environment.

As the first water company with a fully smart underground pipe network, we'll build on our position, using advanced technology to deliver an enhanced customer experience and build trust in our service.

We'll continue to invest in tools that enable us to monitor and manage our network of water treatment works, pumping stations and underground pipes more closely than ever before, helping us to respond rapidly to issues and fixing them before they cause you problems.

This means your service will continue to get better and we'll target our investment only in the areas where improvements are needed.

Our smart approach will expand to our water treatment works and we'll provide smart meters to all. This means we can track every drop of water from source to tap and work with you to detect leaks on our own pipes and yours, so together we preserve our precious resource.

This plan represents the first five years of a 25-year strategy, which has long-term goals and ambitions that reflect your expectations and deliver our vision to be an outstanding water company.

We're making extra investment in the areas you have told us are most important such as reducing leaks, improving local rivers and replacing lead pipes.

We'll also address the challenges we face from climate change and meet the needs of a growing population in what is already a seriously water-stressed region as a member of Water Resources South East, a collaboration with our five neighbouring water companies.

We've prepared our plan as the water industry strives to transform its services, deliver new legal and regulatory requirements and build the trust of its customers; something that will be essential if we are to successfully deliver many of our ambitious short and long-term targets.

To achieve this, water bills will need to rise by just over 10% between 2025 and 2030 – one of the smallest increases in the industry. We'll continue to offer targeted and effective support if you need help to pay.

We have a great deal of work to do, but as a small, local company which is already performing strongly in the areas that matter most, we're confident we can deliver our commitments, empower our customers and work with our communities to enhance nature and improve lives.

Ian Cain
Chief Executive Officer, SES Water

Our vision:

To be an outstanding water company that delivers service excellence

Our values:

Service
We put our customers first and take pride in our service delivery.



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



Collaboration
We are respectful, welcome diversity and support each other to achieve our goals



Integrity
We are accountable, ethical and trustworthy.



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

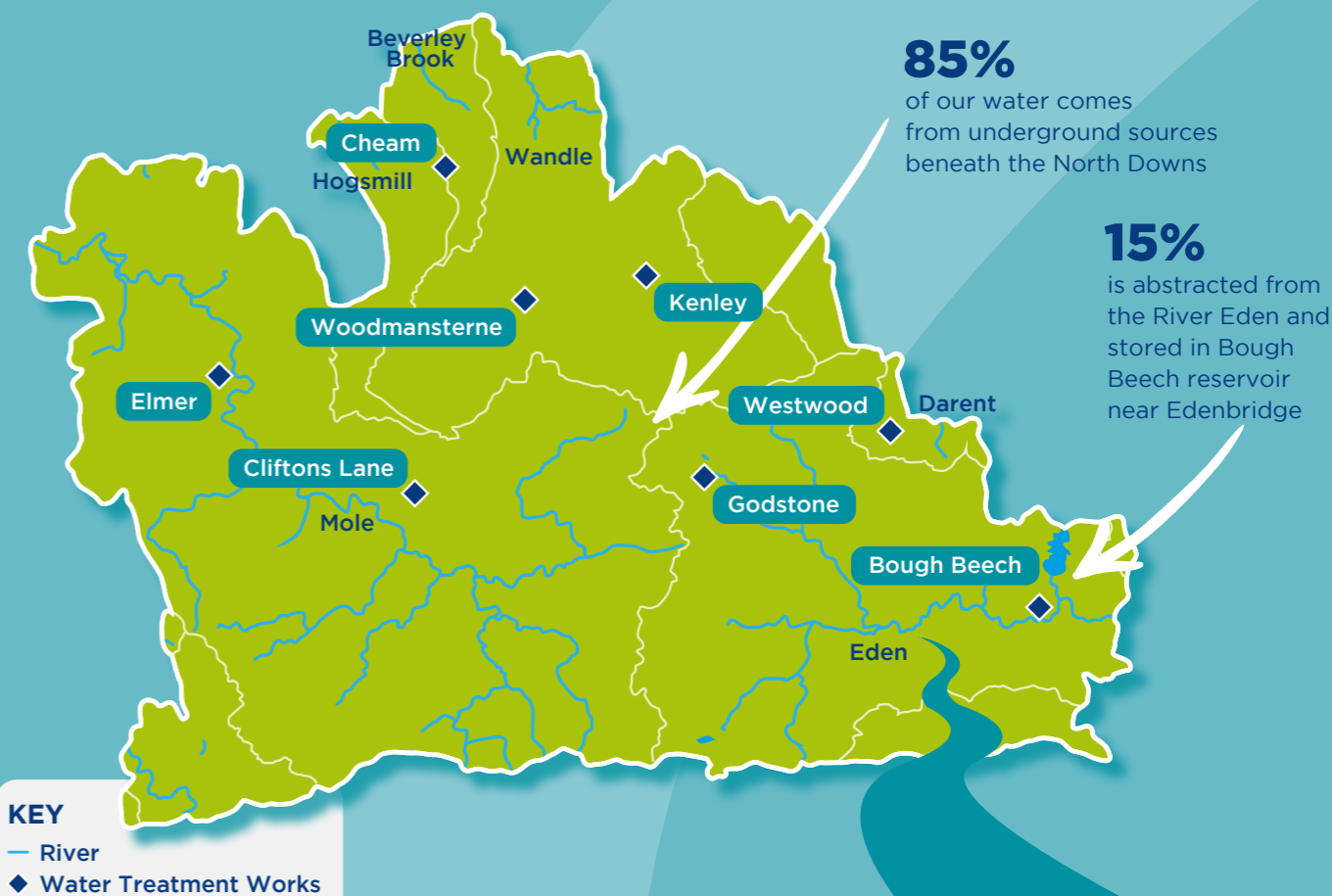


Compassion
We care about the effects of our actions and make a positive impact on the community.



About SES Water

We supply 160 million litres of clean water every day to more than 750,000 people in parts of Surrey, Kent, West Sussex and south London.



Every day, we supply **160 million** litres of fresh, clean drinking water to our customers.

Our supply area covers 322 square miles, from Morden in the north to Gatwick Airport in the south and from Cobham in the west to Edenbridge in the east.

We operate across six river catchments: the Hogsmill, the Wandle, the Darent, the Eden, the Mole and Beverley Brook.

85% of the water we supply comes from underground chalk and greensand sources. Some of these sources support flows in the Hogsmill, Wandle and Darent rivers; all of which are chalk streams.

The remaining 15% is taken from the River Eden in Kent and stored in our only raw water reservoir at Bough Beech near Edenbridge. This reservoir supplies customers in the east and south of our area and water

can also be transferred to northern areas when needed. It's also the home of our Flow Zone education centre, which is visited by 4,000 students every year.

We have eight water treatment works, 33 pumping stations and 34 operational service reservoirs and water towers. By 2025, we'll be able to supply 100% of our customers from more than one treatment works.

We have smart technology rolled out across 100% of our underground pipe network.

Our customers use more water on average than people in other parts of the country, but our region is water stressed so we are working hard to help you reduce your water use, lower your bills and protect the environment.

How we're performing today

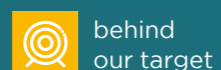
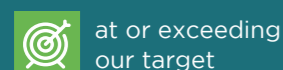
Since 2020 we've been working to achieve a range of targets to improve our service; these performance commitments will continue from 2025 to 2030.

The following table shows how we're performing against our targets and how we compare to the rest of the industry.

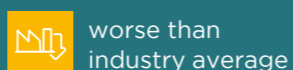
Performance commitment	Current performance against our target	Current performance against industry average
Water quality compliance (CRI index)		
Customer contacts about water quality		
Supply interruptions over 3 hours		
Water softening		N/A - we are the only company to soften water
Mains repairs		
Leakage		
Water consumption (per capita consumption)		
Pollution incidents		No direct industry comparison
Water treatment works unplanned outage		
Greenhouse gas emissions		No direct industry comparison
Customer satisfaction (C-MeX score)		
Developer satisfaction (D-MeX score)		

Key:

Current performance against our target



Current performance against industry average:



We're also:

- Helping nearly 20,000 people who are struggling to pay their water bill by giving them a 50% discount
- Increasing the number of people who receive **priority services with 7.2% of our customers** now registered
- Making sure our **help and support schemes** are reaching the people that need them the most – more than 80% agree they help them afford their bill and access our services
- **Raising awareness of the help we offer** (we know we have more to do)
- Completing **24 environmental improvement schemes and investigations**
- Working towards holding the **Wildlife Trust's Biodiversity Benchmark** at three of our sites – two have already reached the standard.



What matters to you

Listening to our customers

Our business plan for 2025 to 2030 has been influenced by our customers through an ongoing process of research and insight gathering.

We've listened to customers from across our supply area. We heard from people of different ages, at different life stages, in a range of financial circumstances and those with additional needs; through a mixture of online surveys and in-person interviews, focus groups and meetings.

Much of the insight we use comes from our daily business activities, including day-to-day interactions, customer forums, market research and reviewing comments and complaints.

We've also established a dedicated panel of community representatives to provide insight on the needs of the local people they serve and help us shape our services.

We've made sure we're consistent with other water companies, by using research carried out by Ofwat and the Consumer Council for Water (CCW) across the industry into customer priorities.

We've also conducted additional research in areas our customers can influence most, such as how quickly we reduce leakage and supply interruptions, how we

enhance the environment and make progress towards achieving carbon net zero, and whether we do more to remove lead pipes.

Together, this research enabled us to establish our priorities for the next five years, set our long-term ambition, identify choices and trade-offs, and bring our plan together while making it affordable for all.

Our research and engagement programme, and how it has informed our plan, has been challenged throughout by our independent Customer Scrutiny Panel and Environmental Scrutiny Panel. They helped shape our plan so it delivers more for you and the environment.



What you told us

Our research has given us clear feedback on your priorities and preferences. We've summarised this under our four priority areas.



High quality drinking water from sustainable sources

- High quality tap water is your highest priority and you want us to work with other land and water users to protect and improve the water quality at source
- You support us doing more to replace lead pipes by targeting schools, colleges and nurseries first.



Resilient water supplies with minimal wastage

- Having a reliable water supply is a high priority although few of you had experienced problems so tackling leaks was more important to you than reducing supply interruptions further
- During droughts, you want us to avoid emergency restrictions but accept some temporary restrictions such as hosepipe bans may be needed to help maintain supplies
- You want us to make our network as efficient and resilient as possible, to reduce leaks and bursts and to be prepared for climate change
- Most of you want us to go faster and further than the Government target to halve leakage by 2050.



Reduce your water footprint and charge a fair, affordable price

- Many of you recognise you have a part to play by reducing your water use although some of you find it hard to do so
- You expect us to do our bit by reducing leaks on our network first and want help to fix leaks on your own properties
- Not everyone supports smart meters – some of you aren't sure it'll help you reduce consumption, some of you are concerned about how much you'll pay, and some of you are worried about protecting your data
- You expect us to help you save more water and suggested we could expand our education programme, incentivise people to save more water and use rainwater harvesting and grey water recycling.



Improve the environment and have a positive impact on our local area

- Most of you expect us to actively enhance the environment; although some feel this is more important than others
- Many of you want us to go beyond our legal obligations to protect local rivers and chalk streams
- Some of you want us to reduce carbon emissions quickly, but most of you support us achieving net zero by 2050, in line with the Government target.



Affordability and acceptability

Most of you agreed with our plan, and thought it delivered improvements in the right areas; particularly leakage, improving water quality, enhancing the environment and providing water efficiency support.

However, many of you are worried about how much it will cost and don't think you can afford an increase in your water bill. We understand many people are currently facing financial pressures so we'll continue to help you to manage your bill through our social tariffs and other support schemes.



Your water, your say

On 25 April 2023, we held an open challenge session to allow customers to give feedback on our developing plan. We promoted the session widely using direct emails, local press and social media, directly and via third parties to encourage as many customers as possible to join and take part.

- More than 240 customers signed up for the session with nearly 100 attending on the day
- We've summarised key themes in the table opposite
- A further session will be held on 16 November 2023 to share our business plan with customers and let them know how we responded to their feedback.



You said, we did

Area	You said	We did
Securing water supplies	How will you create more capacity and avoid water shortages, and are there opportunities to harvest more water?	We're working in partnership with our neighbouring companies to reduce leakage and customer consumption as part of a regional solution that includes new water sources and transfers across South East England
Leakage	We want you to do more to reduce leakage, particularly if you expect us to reduce our consumption	We'll exceed the Government target, reducing leakage by 50% by 2041 and 62% by 2050 by using our smart network to find and fix leaks on our pipes and using smart meters to detect leaks in customers' homes
Drinking water quality	We'd like our water to be as free from chemicals as possible	We'll work with farmers and landowners to prevent pollutants entering our water sources, reducing the need for further treatment where possible
Lead in drinking water	We are concerned about the risks posed by lead and the use of phosphate to protect water quality from lead	We'll replace lead pipes at 170 schools, colleges and nurseries over the next five years but phosphate will still be needed to protect against lead leaching in some areas
Water pressure	We are concerned about water pressure in some localised areas and want a consistent and acceptable pressure	We recognise a small number of customers are impacted by pressure issues. By utilising our smart network effectively to maximise the speed of leakage detection and repair, we will need to reduce the pressure in the network less often which will lead to more consistent pressure levels
Protecting local rivers	We are concerned about the amount of water you take from local rivers and pollution from sewer overflows and run-off from land	We'll tackle pollution of our water sources and protect species that live in sensitive habitats, while investigating if the water we take from the environment is affecting the three chalk streams in our region In the River Eden catchment, we'll improve how we manage water to increase its resilience and deliver wider environmental benefits
Bill increases	We are concerned about bill increases and protecting those who are struggling financially	We will need to increase bills by 10.5% to help fund our improvement programme but we'll offer discounts on bills to those that need it and provide other financial support schemes
Shareholders and dividends	We want to know more about your current ownership and the levels of returns to shareholders	We expect the company to change ownership in late 2023. Our plan assumes that our new owner will provide equity to help fund our investment programme and will receive a fair return on their investment. We have updated our dividend policy in line with Ofwat's requirements.

Planning for the future

Our business plan for 2025 to 2030 forms part of a long-term strategy which sets out the extra investment we need to make over the next 25 years to achieve our ambitions and deliver our purpose.

This includes meeting new legal and regulatory requirements, making our water supply sites more resilient to changing weather patterns and improving our performance.

We've considered a number of factors that will impact on our service in the future and have developed a long-term strategy that can adapt if the future is different to what we expect.



Technology and data



We are advanced in our use of smart technology and will expand this by installing smart meters in homes and water supply sites. We're also using new technology that helps us assess the condition of our underground pipes without digging them up so we can maintain and replace those most likely to leak or burst.

As technology advances, we'll continue to implement it where it will deliver improvements to customers and the environment or make our service more efficient.

Climate change



Climate change means we are likely to see hotter, drier summers and warmer, wetter winters, as well as periods of freezing weather, affecting how much water is available from our water sources and how our water treatment works and network operate.

Our water supplies are more resilient to climate change than some other water companies as 85%

of our water comes from groundwater sources, which rely on winter rainfall and are less vulnerable to drought.

However, climate change could reduce the quality of water sources, increase the number of water main bursts and leaks, and cause more power outages at our treatment works.

Supply chain and workforce disruption



Economic factors and global shortages in some products and materials could affect our supply chain and workforce. If this happens it will increase our operating costs in the years affected but we can mitigate this by investing in our internal systems so we can adjust more easily.

Improving the environment



Some of our water sources support sensitive and unique habitats that may be damaged from pollutants and climate change.

To help protect them, we'll investigate whether we need to reduce how much water we take from them to supply our customers. We'll make up any shortfall by reducing leakage and helping people use less, but we may need to develop new water supplies in the future.

Population growth



A growing population means demand for water will increase. We may need to supply 14.5% more people by 2050 and we've planned ahead so there's enough water to supply everyone.

We'll continue helping our customers reduce their consumption through smart water meters, targeted water efficiency support and new government policies, such as introducing water labelling for appliances and building more water efficient new homes.

Cost of living



The current cost of living crisis is already affecting our customers' ability to pay their bills. We've considered what it would mean for our business if more customers were unable to pay and we have more bad debt.



Our long-term delivery strategy

Our 2025 to 2030 business plan forms the first five years of our long-term delivery strategy, which sets out our ambitions for the next 25 years.



Between 2025 and 2030 we will spend:

- £24.5 million to install 194,000 smart meters with new digital technology and more targeted help and advice to help customers manage their water use and lower consumption
- £10.5 million to drive down leakage, enhance our smart network and on technology to help us better target water mains most in need of replacement
- £7 million to make our water treatment works more resilient and secure
- £5.2 million to install UV treatment at two additional water treatment works to protect water quality
- £5 million to enhance our environment by improving the quality of our water sources, protecting sensitive habitats, using natural features to improve how water is managed in the River Eden catchment and increasing biodiversity
- £3.8 million to replace lead pipes supplying 170 schools, colleges and nurseries.

Between 2030 and 2050 we will also:



- Begin a 20-year programme of additional targeted water mains replacement to further reduce leaks, mains bursts and water supply interruptions
- Find and fix smaller and harder to reach leaks
- Finish our smart meter roll out by 2032
- Protect our Leatherhead pumping station and boreholes from river flooding by working in partnership to enhance the management of water in the River Mole catchment
- Continue to replace lead pipes in premises such as childminders, community venues and sports clubs
- Continue to enhance the environment, reduce flood risk and increase biodiversity.

Planning for uncertainty:



The future is uncertain, so we've also prepared two alternative plans we can move to if needed. If we need to leave more water in the environment by reducing the amount of water we take to supply our customers, we will develop new water sources. The first would be a new groundwater source, and if needed, we could increase the size of Bough Beech reservoir. If the rate of climate change is more rapid, we could need to make additional investment, to reduce leaks and mains bursts, protect our water supply sites from flooding and power outages and add extra treatment to protect our water supplies. We'll keep all these factors, and many others, under regular review so we know if we need to change course.



Our short and long-term targets

We've set ourselves challenging long-term targets. Our business plan for 2025 to 2030 will deliver performance improvements over the next five years that will enable us to achieve our long-term ambitions.

Commitment	2030 target	2050 target
Provide high quality water from sustainable sources	Achieve full compliance with drinking water standards	Achieve full compliance with drinking water standards
	Maintain current contact levels about our water's taste, smell or appearance	Halve contacts about our water's taste, smell or appearance
	Continue to soften water where required to do so	Continue to soften water where required to do so
Deliver resilient water supplies from source to tap with minimal wastage	Reduce leakage by more than 26%*	Reduce leakage by more than 62%*, exceeding the Government target
	Reduce water supply interruptions	Have no supply interruptions longer than three hours
	Reduce burst water mains	Halve burst water mains
	Reduce unplanned outages at water treatment works to 1% of peak production capacity	Eliminate all unplanned outages
Reduce your water footprint and charge a fair and affordable price for what is used	Reduce customers' daily water use by 11%*	Reduce customers' water use by 26%* to an average of 110 litres per person per day
	Reduce business water use by 5%*	Reduce business water use by nearly 17%*
	Improve customer satisfaction, achieving C-MeX performance above the industry mid-point	Consistently achieve even higher levels of C-Mex
	Improve developer customer satisfaction, achieving D-MeX performance above the industry mid-point	Consistently achieve even higher levels of D-Mex
Improve the environment and have a positive impact on the local area	Provide a high level of service to business retailers achieving BR-MeX performance around the industry mid-point	Consistently achieve even higher levels of BR-Mex
	Zero serious pollution incidents and fully comply with our discharge permits	Zero serious pollution incidents and fully comply with our discharge permits
	Nominate 80% of our land for biodiversity net gain, creating 25 additional units	Create 530 additional biodiversity net gain units and deliver additional net gain through partnership and wider environmental improvements
	Reduce operational and embedded carbon emissions	Achieve net zero carbon emissions

* Compared to 2019/20 levels



What we will do

We'll provide high quality water from sustainable sources

By 2050 our ambition is to always provide you with high quality water that meets the highest standards and to only use sources where we can take water without harming the environment.

From 2025 to 2030 we will:

- Continue to keep our drinking water quality the highest in the industry
- Maintain our strong track record on customer contacts about the taste, smell or appearance of their water so we are in the top 25% of the industry, with a rate of 0.6 contacts per 1,000 people
- Continue to soften water to meet our statutory obligations.

We will do this by:

- Refurbishing our treatment works at Kenley, including new softening treatment
- Adding new UV treatment to two of our sites to protect drinking water quality
- Reducing the levels of nitrates and pesticides in our water sources by working with farmers and other land users
- Using smart technology to improve how we monitor and manage the water treatment process
- Replacing 170 lead pipes supplying nurseries, schools and colleges
- Investigating whether we need to reduce how much water we take from the environment.

How customers can help



- Make sure the plumbing system in your home complies with the Water Regulations so your own pipes don't impact on the quality of your water
- Always use a WaterSafe approved plumber for any work in your home or business so you know their work meets the water quality standards
- Let us know if you see any illegal use of fire hydrants as this can impact the taste, smell and appearance of your water.



What we will do

We'll deliver resilient water supplies from source to tap and minimise wastage

By 2050, our ambition is for our water supplies to be resilient to climate change, including severe droughts. No-one should have their water supply interrupted for more than three hours and we'll reduce water leaks from our pipes and customers' own plumbing.

From 2025 to 2030 we will:

- Further reduce leakage from our comparatively low levels by more than 26%*
- Reduce water supply interruptions lasting longer than three hours so we continue to be in the top 25% of the industry
- Reduce the number of bursts to 55 repairs per 1,000 km of water main so we continue to be one of the best performing companies
- Reduce unplanned outages at water treatment works to 1% of peak production capacity.

We will do this by:

- Using our smart network to help us find and fix even the smallest leaks more quickly
- Using smart meters to detect leaks on customers' supply pipes and help fix them
- Finding innovative, new ways to reduce leaks
- Using new technology to test the condition of our water mains to prioritise those which need replacing first
- Investing in our water treatment works to make them more resilient to power outages
- Installing smart technology at our water supply sites to monitor our water production more closely and respond to issues faster.

How customers can help



- Report any leaks you see on our network so we can fix them
- Repair leaks that we detect on your supply pipes so you're not wasting the water you are paying for
- Let us know if you or your neighbours need extra help so we can add them to our priority services register.

* Compared to 2019/20 levels



What we will do

We'll reduce your water footprint and charge a fair and affordable price

By 2050, our ambition is to reduce household water consumption to 110 litres per person per day, and business consumption by 17%. We will eliminate water poverty so no customer spends more than 5% of their disposable income on water.

From 2025 to 2030 we will:

- Reduce customers' daily water use by 11%*, to just under 133 litres per person per day, on average
- Reduce business water use by 5%
- Use new technology and data to further improve customer satisfaction
- Improve our service to developers and water retailers.

We will do this by:

- Installing 194,000 smart water meters and using new digital technology to help customers spot leaks quickly, so they only pay for the water they use
- Helping our customers become more water efficient by installing water saving products and providing home visits
- Doubling the number of pupils who take part in our education programme
- Running campaigns with partner organisations to promote water efficiency and the extra help we can provide
- Working with customers to find ways to incentivise efficient water use through new tariffs
- Providing our social tariff and other support schemes, to help those struggling to pay
- Sharing data with trusted partners to help identify customers who need more help.

How customers can help

- Take up free water efficiency advice and water saving products via the Get Water Fit platform
- Find and fix faulty plumbing and dripping taps as soon as you can so you don't waste water you are paying for
- Let us know if you are struggling to pay your water bill or need any extra help.

* From 2019/20 levels



What we will do

We'll improve the environment and have a positive impact on the local area

By 2050, our ambition is to achieve net zero carbon emissions for operational and embedded carbon, increase biodiversity on our sites and areas we work and enhance our local rivers and streams.

From 2025 to 2030 we will:

- Continue to have zero serious pollution incidents
- Nominate 80% of our land for biodiversity net gain, creating 25 additional units
- Reduce operational and embedded carbon emissions
- Continue to remain fully compliant with any discharges from our water treatment process.

We will do this by:

- Enhancing how we manage around 80% of the land we own to deliver biodiversity net gain
- Working in partnership to improve the management of water in the River Eden while improving the environment and boosting biodiversity
- Working in partnership with other stakeholders to deliver wider environmental benefits such as reducing the risk of flooding and improving the quality of chalk streams
- Installing eel screens and preventing invasive non-native species from spreading in our water sources to protect the species that live there
- Using more renewable energy sources to reduce our operational carbon emissions
- Becoming more energy efficient across our sites and network
- Repairing burst mains more quickly so treated water doesn't enter local water sources.

How customers can help

- Try to use water more efficiently so we can leave more in the environment
- Enjoy our land holdings and reservoir responsibly, leaving the site in the same condition as you found it and obeying all site signage.

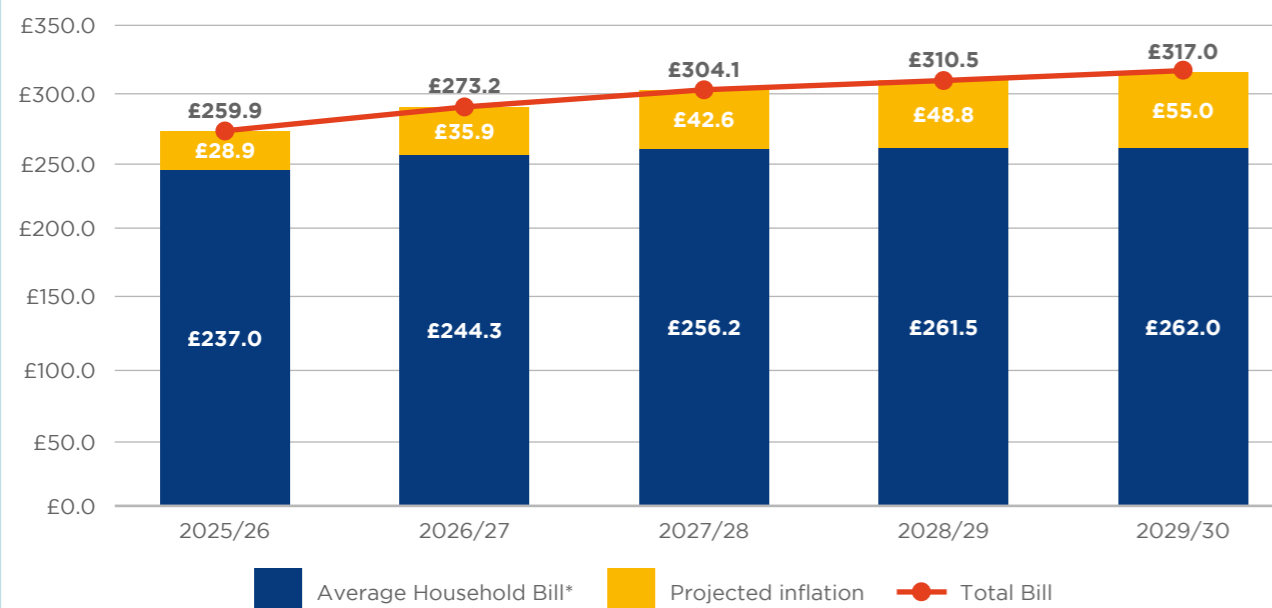
Funding our 2025 - 2030 business plan

When it comes to setting our bills, we need to balance affordability with the right level of investment in our infrastructure and environmental improvements.

Water bills will rise by 10.5%, an average of £25, between 2025 and 2030, bringing the average water bill to £262 in 2029/30 (before inflation).

This will be adjusted for inflation each year, and doesn't include wastewater charges from Thames Water or Southern Water.

Average household bill movement between 2025/26 and 2029/30



*CPIH, 2022/23 full year average

Helping customers afford their bill

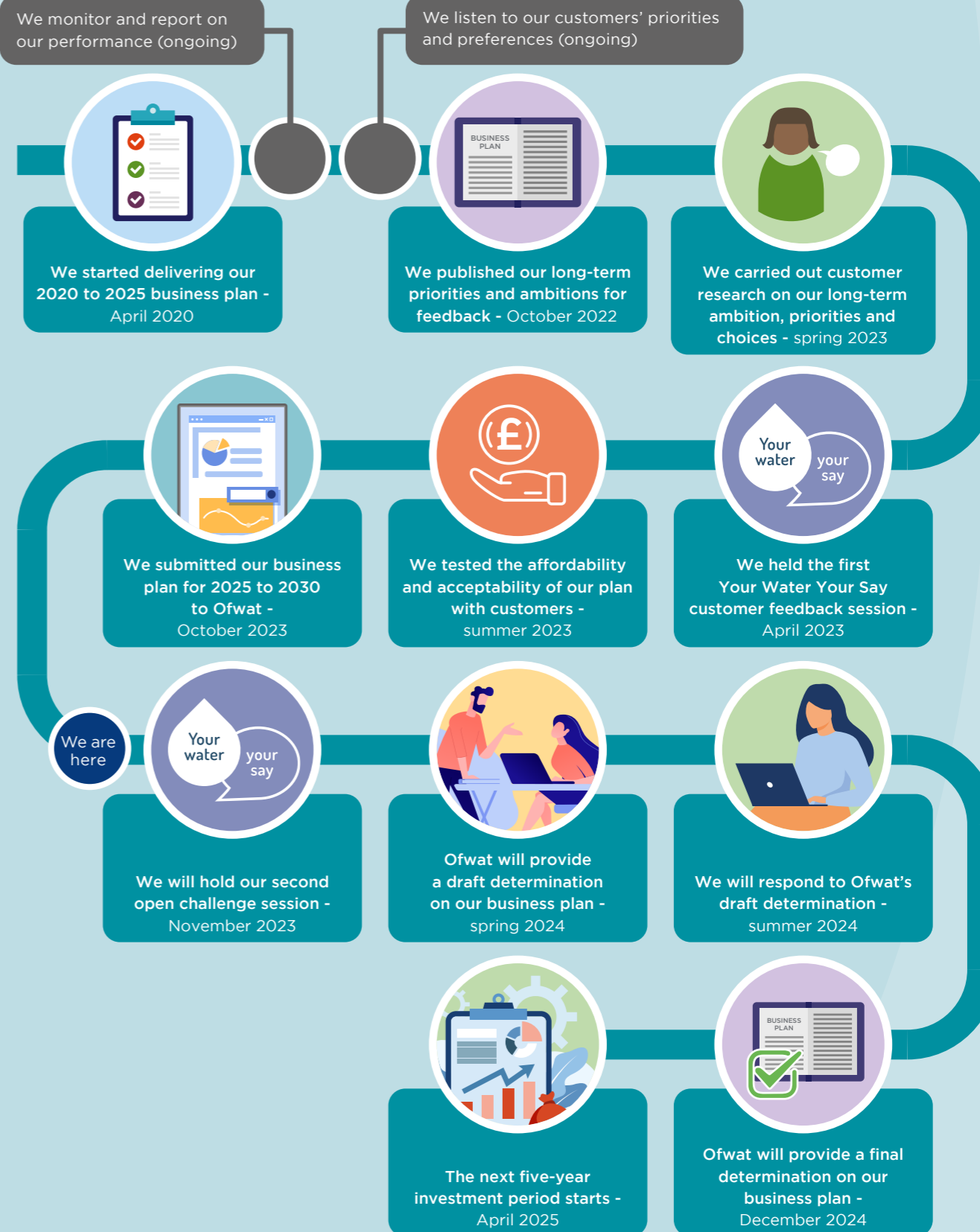
We know we have customers in different financial circumstances, including those who may struggle to pay their bills.

Over the next five years, we will support customers to pay their bills by:

- Providing a 50% bill discount to 25,000 customers through our Water Support tariff
- Providing extra help through a range of support schemes such as payment holidays
- Introducing smart meters and trialling innovative tariffs to incentivise the efficient use of water and help people who need to use more.



Next steps



Find out more

Visit our website [seswater.co.uk](https://www.seswater.co.uk)
 Follow us on **Facebook, X (formerly Twitter), Instagram and LinkedIn**
 Join our Talk on Water online customer community: [seswater.co.uk/talkonwater](https://www.seswater.co.uk/talkonwater)

