

In summary

Since its creation, our industry has successfully delivered a step change in service standards and environmental performance at almost no cost to the taxpayer, and we are well placed to respond as the UK's priorities are updated and refined.

Climate change and resilience	<ul style="list-style-type: none">• reduce demand through partnership work with customers• “system operator approach” to manage quality and quantity within catchments• use the opportunity of low interest rates to deliver critical infrastructure investment
Supporting economic and housing growth	<ul style="list-style-type: none">• publish clear guidance on whether growth can be best accommodated• promote onsite decentralised solutions• provide one stop shop for developers
Productivity and skills	<ul style="list-style-type: none">• greater use of markets and competition• open financing and operation of assets to competition• provide smarter solutions to environmental improvements e.g. EnTrade reverse auctions• grow apprenticeship, technical and graduate training
Bills and affordability	<ul style="list-style-type: none">• keep average bills flat in real terms• extend use of social tariffs to ensure services are affordable for all

Water – a new direction

Opportunities to deliver on the UK's priorities.



As the UK begins to forge a new future outside the EU, Wessex Water is well placed to contribute towards some of the key priorities and challenges we face.

We will:

- increase our strategic resilience and mitigate the effects of climate change
- support economic and housing growth
- improve productivity and skills
- keep bills affordable.

Resilience and climate change

The reliability of our services is critical to the functioning of the region's economy. We have developed a water grid so that none of our customers should ever need to plan for having their water supply cut off for an extended period.

With the cost of finance at a historical low now is a good time to invest in water and sewerage infrastructure – with no impact on the public purse – in a way that can further protect our services to customers and the environment in the face of severe flooding and exceptional drought.



Despite significant investment to meet new standards, current levels of replacement imply asset lives of 250 years for water mains and 1,000 years for sewers. We should use the opportunity of low interest rates to renew critical infrastructure.

Improving resilience is not always about building more assets. We are already working in partnership with customers to help them reduce their demand for our services – creating an additional buffer for when the unexpected occurs.

For more information visit
www.wessexwater.co.uk



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Acting as a system operator for the water catchment, we can procure the lowest cost way to improve service and environmental resilience; be it through infrastructure improvements, promoting behaviour change or through partnership working with farmers, drainage authorities or neighbouring water companies.

Supporting economic and housing growth

One of our key roles is to help facilitate new development in our region, assisting with housing and economic growth.

We will assist by publishing more information on where growth can best be accommodated with our existing infrastructure and where costs are likely to be higher.

We are developing new charging arrangements that will give better price signals, and are creating a one-stop shop for developers where they can understand quickly what the likely costs for developing sites will be. We will also improve incentives for the development of local, decentralised water and sewerage solutions.

Improving productivity and skills

Improving efficiency requires innovation and continuous advancement. It also needs sharp incentives which are not always apparent in monopoly businesses.

So alongside strong, incentive based regulation we support the extension of competition in the sector where the benefits for customers are clear. Introducing competition for the building, financing and operation of new assets could create significant value. In this model water companies can act as system operators, procuring the best solutions at arm's length.



We are also using smarter approaches to deliver environmental improvements. EnTrade is an online reverse auction approach to delivering nitrate reductions in local watercourses.

Farmers declare the sums they would need to be paid to reduce the amounts leaching from their land and by doing so we avoid having to install expensive and high carbon treatment facilities at a treatment works. As the UK considers what should replace the CAP, the EnTrade trading platform approach could clearly have a number of wider applications.

We are also investing in our people. We have recruited more than 100 apprentices – from engineers to scientists, construction operatives to data analysts, and have created structured business leadership and management development programmes. We expect to grow our technical and graduate programmes over the coming years to develop our regional workforce.

Bills and affordability

Our bills remain on average 1.5% of household disposable income, and the majority of our customers consider them affordable and good value.

Low interest rates and improved efficiency mean we can continue to invest without increasing bills in real terms. However, there are customers who have real difficulty in paying bills.



We will continue to address the needs of those customers who do find our charges unaffordable. We have led the water industry in developing social tariffs for the most vulnerable and offer the widest range of assistance in any sector through our tailored assistance programme. Through our pension credit discount, we have recently extended our assistance to those customers who are most likely to go without other essentials to pay their water bills.

Greater sharing of data from the DWP that recognises our social obligations will help us improve our ability to assist the customers that need it most.