

Providing excellent customer experiences



We doubled the number of leaks we're detecting and reduced leakage by 11%



We offered different types of help to ensure 0% of our customers are in water poverty



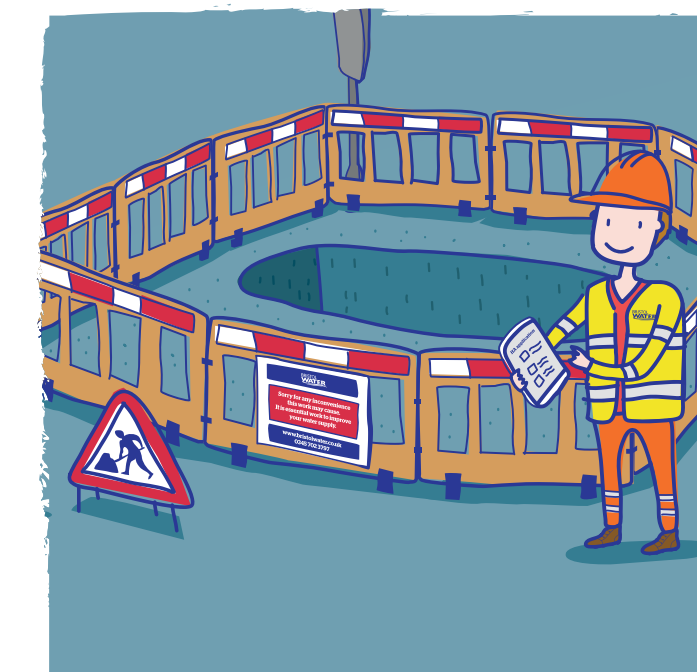
We were awarded the Service Mark from the Institute of Customer Services



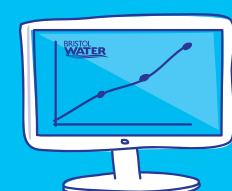
We hit 99.99% compliance in drinking water standards (and lead the industry in this area)



We were the first water company to publish a Social Contract, formalising the role we play in our local community



Safety was a high priority, resulting in a 20% reduction in the number of employee accidents



Entrepreneurs were given open access to our business operations via 'The Workshop'



We reduced customer complaints by 19% over the previous year



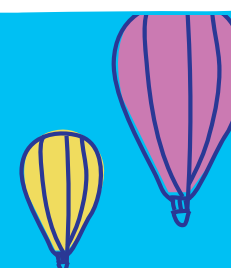
We received just 1,934 contacts from customers about the appearance and taste of their water



We reduced the amount of unplanned minutes without supply but missed our target



We provided 1.2 million people with clean, fresh drinking water



We invited more than 37,000 of you to share your views on our PR19 business plan for 2020-25



We were promoted to 'Targeted' status by Ofwat thanks to our improved reporting and assurance processes



We invested £55m in our capital programme

**Find out more about Bristol Water's aims in our Annual Report 2018-19**

# Highly reliable

We must offer a reliable and resilient service to our customers who depend on us to supply water without restriction or interruption

## Reliable supply

Our performance for reliable supply is assessed on the amount of unplanned minutes without supply that an average property experiences, and our capacity to avoid a service failure of our assets, both above ground (non-infrastructure assets) and below ground (infrastructure assets).

The level of interruption achieved this year was a significant improvement on last year, although we still failed to meet our target. The prior year saw a significant single incident which contributed to the majority of the underperformance in the year. This incident alone accounted for 52 minutes lost per customer and was exceptional, resulting from an extremely large mains burst in the Willsbridge area.

In the current year, a significant focus has been placed on improving our performance in this area. Our Network Operations teams have adopted live repair techniques wherever possible to reduce impact of operational issues on our customers.

However, when a significant burst occurs, our customers may lose their supply of water before we can affect a repair. During the year 11 notable jobs, (representing for only 2% of all repair jobs), resulted in 47% of all the reported interruption minutes. The largest single interruption occurred at Frenchay where a trunk main burst resulted in 2.74 unplanned customer minutes lost (representing 19% of the total annual target).

The reliability of our network is also reflected in the number of burst mains we experience, which in turn can impact unplanned customer minutes lost. In 2018/19, the number of burst mains reduced compared with the previous year notwithstanding the higher than average bursts experienced over the hot and dry summer. There were 1,074 burst mains during the year (2017/18: 1,222) which is below the upper control limit of 1,166. This maintains our infrastructure reliability classification at "marginal" and gives us the opportunity to improve this classification to "stable" next year if the number of burst mains remains at a similar level.



**1,074**  
burst mains  
in 2018/19



**11**  
notable  
repairs



**14.7**  
unplanned  
minutes lost

Outcome	Performance commitment	2018/19 target	2018/19 actual	2017/18 actual	Target achieved
Reliable supply	<b>Unplanned customer minutes lost</b> Minutes per customer	12.5	14.7	73.7	No
Resilient supply	<b>Population at risk from asset failure due to an extreme event</b> Number of people	9,063	9,063	9,063	Yes
Sufficient supply	<b>Security of supply index</b> Number	100	100	100	Yes

### Resilient supply

A resilient supply means that we are able to cope with extreme or unusual events, and this is measured by the number of people at risk from the failure of a single source above ground asset (in supply areas of more than 25,000 consumers). Improving resilience was one of the key outputs for the capital investment programme of AMP5 and continues to be a key output in AMP6.

Having delivered the Southern Resilience Scheme in March 2018, this reduced the number of customers from 288,589 to 9,063 at risk of asset failure. It was used to its full extent in the year

with water from the River Severn being transported as far south as Cheddar through the new infrastructure, protecting water resources in the Mendip Reservoirs in case of a dry winter. The extra pumping and treatment incurs additional operating costs, but illustrates the resilience of supplies that we have despite a dry winter and then amongst the hottest and driest summers on record.

### Sufficient supply

One of our customers' most important requirements is an unrestricted water supply. Our performance of this is measured by our level of service on

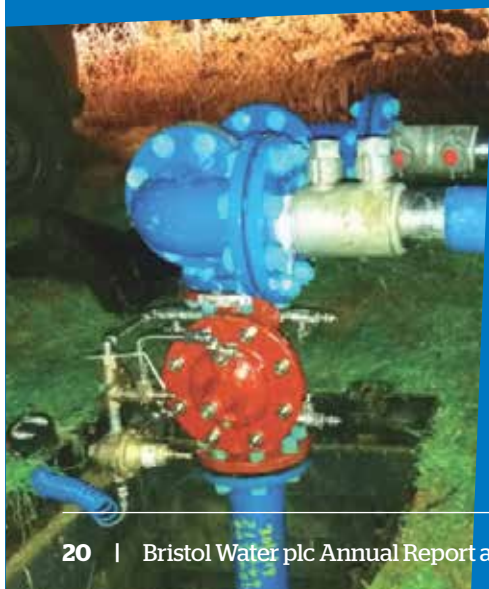
the frequency of supply restrictions during periods of water shortages, and Ofwat's Security of Supply Index ("SOSI"). SOSI is the ratio of water available, plus regulatory headroom, to the forecasted dry weather water demand for the outturn year. If a score of less than 100% is calculated, this would indicate that there could have been a higher risk of water use restrictions for our customers that year. We are pleased that yet again for 2018/19 our SOSI value was 100%, indicating sufficient supply with no restrictions. It has been 29 years since we last introduced a hose pipe ban, despite periods of low rainfall in the summer and winter of 2018/19.

## ► Case study

### Reducing supply interruptions:

Burst main, Shepton Mallet, 13 February 2019

In the early hours of a February morning, our operations room noticed that the water level at a service reservoir in Shepton Mallet had started falling. An inspector was dispatched to investigate and discovered a significant burst, resulting in the loss of a large volume of water.



Our customers have told us that a safe and reliable supply of water is their most important expectation of Bristol Water. Whilst the simplest approach to fixing the main would be to isolate the main and put customers out of water, we adopted a different approach. We set up an overland water pipeline (as pictured), which allowed the water to keep flowing to customers' houses, whilst work was undertaken to fix the burst.

We kept customers informed via our website, social media and we also visited customers in the area, providing bottled water to vulnerable customers in case supply was interrupted. Our rapid response, alternative approach and focus on communications ensured that no customers suffered a loss of supply throughout this challenging operational incident.

## Incident stats



**0**  
customers  
lost supply



**4,263**  
customers  
in affected area



**1.97**  
megalitres  
of water lost



**1,600+**  
customers  
reached via  
social media



# Excellent quality

Our water consistently achieves exceptionally high compliance against some of the most rigorous testing standards in the world.



## Safe drinking water

Our water consistently achieves exceptionally high compliance against some of the most rigorous testing standards in the world. Although we have not achieved 100% compliance, 99.99% represents leading performance within the industry and our performance this year marks our highest compliance figure in 5 years.

Our aim is to supply our customers with clear safe water and comply with stringent regulatory standards. We do this through our Drinking Water Safety Plan approach, which helps us to reduce and manage any risks to water quality.

Our Water Quality team collects samples 365 days a year from across our 2,400 square kilometre supply area. The sampling schedule is aligned to a sophisticated computer-controlled programme so that water quality is checked right from source to customers' taps. This is evidenced by our water quality results that are measured on a calendar year basis by DWI Standards: Mean Zonal Compliance ("MZC"). We achieved 99.99% compliance in the current year, an improvement from 99.93% in the prior year, with the small shortfall reflective

of 3 iron failures identified in our random sampling of customers' properties due to the deterioration of cast iron mains within the network.

In addition to sampling at customer properties for MZC, we also routinely take samples from all of our treatment works and treated water service reservoirs.

## Water is good to drink

It is vitally important that our water not only meets stringent standards but is also good to drink. We measure our performance by the number of negative contacts about the quality of water our customer services department receives.

Our Negative Water Quality Contacts ("NWQC") measure relates to the number of customer contacts we receive each calendar year about taste, odour and appearance. It is consistent with our reporting to the DWI in that it excludes contacts associated with reportable events.

We received 1,934 NWQCs during 2018, which is significantly lower than our Outcome Delivery Incentive ("ODI") target of 2,275.

Outcome	Performance Commitment	2018/19 target	2018/19 actual	2017/18 actual	Target achieved
Safe drinking water	Compliance with legal standards Percentage	100%	99.99%	99.93%	No
Water is good to drink	Number of negative customer contacts regarding water quality Number	2,275	1,934	1,711	Yes

# Environmentally sustainable

We take environmental responsibility seriously and make efficient use of our resources to both assist customers in becoming water efficient and minimise the environmental impact of our business operations.



## Efficient use of resources by the company

Leakage is the amount of water that enters our water network but is not delivered to customers. In order to minimise our impact on the environment and reduce the cost of our operations, we aim to reduce leakage levels across our network. This year we have reduced leakage by 11% despite experiencing difficult weather conditions in the form of both 'freeze-thaw' conditions and a hot, dry summer.

At the start of the year, the impact of the 'Beast from the East' led to high levels of leakage, and work was focussed on recovering from the impact of these weather conditions. However, the long, hot and dry summer then put stress on our network, with higher demand from our customers and ground movement around pipes, ultimately leading to higher than normal numbers of burst mains and leaks.

A strategy was developed to improve the performance of our leakage detection resources and to ensure we had sufficient operational resources to fix all identified or reported leaks. This strategy has proven successful and the leakage teams are now detecting twice the number of leaks they were finding last year, and significant resource is focussed on fixing the leaks.

Outcome	Performance Commitment	2018/19 target	2018/19 actual	2017/18 actual	Target achieved
Efficient use of resources by the company	<b>Actual leakage*</b> Total leakage in million litres per day (Ml/d) as per the revised measure	44.0	41.7	46.6	Yes
Efficient use of water by customers	<b>Domestic meter penetration</b> Percentage	62.5%	56%	52.7%	No
Sustainable environmental impact	<b>Biodiversity Index</b> Index	17,652	17,668	17,657	Yes

\*full details of our leakage target can be found in our [Annual Performance Report](#).



## ► Case study

**We need to talk about leakage...** We hate it and customers hate it... leakage. Managing leakage is a complicated and challenging business, but it's usually the first thing our customers want to talk about and is always a topic of debate in the papers. So here's three ways we have been tackling the nasty business of leakage...

### Good people

It might sound simple but having the right people in the right place is the biggest way we can help tackle leakage. Our people have an ambition to be the best and have real pride in the patch. Being a small, local water company most of our employees (about 90% in fact) are customers too. This means they hate leakage on two fronts. This year we have more than doubled the number of our leakage inspectors we have out and about looking for those tricky to find leaks. So that's twice the ambition, twice the pride, and twice the passion. This has seen a 20% increase in detected leaks... well done everyone. We've also added extra data analysis and modelling skills to the head office team and continued our collaboration with our suppliers.

### Pressure control

Did you know that 50% of our leakage comes from background leaks, those little dribbles of water from loose fitting joints. They're hard to detect - really hard. So to deal with this our strategy is centred on pressure management. By lowering the pressure in the network, less water is forced out of the pipes through small imperfections and poorly fitting or loose connections. We have therefore invested in technology giving us intelligent control, so that we can optimally manage the pressure throughout the day, so that in periods of peak demand - e.g. everyone using their water in the evening - it is raised so that properties don't experience unacceptably low pressure.

### Data, data and more data

For our leakage control strategies to be effective, we need to have a clear picture of what's happening throughout our network. If you can't measure it, you can't improve it. For this reason we're investing in more monitoring tools; 1,000 more flow loggers to permanently measure smaller regions of the network, 800 more pressure loggers to detect abnormalities and allow us to optimise network pressure, and additional leak noise and high frequency pressure sensors. All of these investments more than double the number of sensors in service.

### Efficient use of water by customers

To mitigate our impact on the environment, and to support the affordability of our service, we encourage our customers to be more efficient in the way they use water. Water meters are an effective means to support our customers in managing their water consumption, whilst also ensuring we are billing them accurately for the water they use. We measure this by meter penetration which is the percentage of customers who have a water meter installed at their property. We also provide water-saving fittings and advice on reducing water consumption to help our customers save water.

We set up a dedicated project team in 2018/19 to focus on delivering our metering objectives. Processes have been revised and training provided to ensure

we meet our customer expectations and this is reflected in improved customer service results. Household meter penetration for 2018/19 is 56.0%, up from 52.7% in 2017/18 although below our ambitious target of 62.5%. Our level of 'meter optants', which is when a customer requests the installation of a meter, has not increased significantly in 2018/19. We continued our 'change of occupier' metering programme, where we install meters in all properties which are subject to a transfer of ownership. However, due to a slowdown in the housing market, the number of meter installations has fallen in 2018/19 versus the prior year.

Sustainable environmental impact  
One of the ways in which we monitor our protection and enhancement of the natural environment is through an

innovative approach that we have called the Biodiversity Index. This quantifies the environmental value of our sites and creates a "direction of travel" for the way we manage our property, helping us to protect and enhance the natural environment by using the Index to quantify the impact of our actions on the broader environment. This calculation and method is a tool we will continue to develop through the coming years, using it to measure our performance on habitat protection and enhancement.

This measure has improved by 11 points compared to last year mainly due to the restoration of a tributary of the River Chew. This involved re-wetting 500 metres of watercourse to create a new habitat for a wide range of wildlife including the endangered European Eel.



## ► Case study

### Lost section of the River Chew restored for endangered wildlife

Our biodiversity index showed we delivered a net-gain to the environment during 2018/19. A key contributor to this was restoring a lost tributary of the River Chew.

The lost reach of the River Chew from the Mendip Hills down to the River Avon was severed by a dam in 1956, when the valley was flooded to form the Chew Valley Lake reservoir that supplies Bristol.

Downstream, the river ecosystem withered into a dry ditch and died. An important ecological corridor was lost for aquatic creatures that had been journeying along the route since the last ice age. Instead, an occasional spill from the reservoir was diverted into a concrete spillway, bypassing the old riverbed and destroying the central linking piece of the route's ecological jigsaw.

We worked alongside Bristol Avon Rivers Trust, The Wild Trout Trust and Greenmantle, consultants Ricardo and contractors RJ Cox, to provide a new home for wildlife. The river's revival has

included dramatic re-engineering of reservoir overflows, redirecting water along its former path.

The restored route meanders through an abandoned 1950s poplar and alder plantation, once used for matchstick making. Dense thickets of bramble and shady canopy have been opened up to encourage the river wildlife, bringing in light and encouraging aquatic plants, and the channel has been reshaped with berms, riffles and pools so undesirable silt build-up is scoured out by the natural energy of a faster current, opening up fish and invertebrate spawning areas.

The River Chew is now half a kilometre longer for the first time in more than half a century. The scheme has permanently restored a section of the river and will provide a new home for endangered

species, such as eels. It is the first time the river has been permanently re-wetted since the 1950s. Now that historic needs for the cotton, flour and gunpowder trades are no longer needed, it means we can help do our bit for nature.

The restoration kick starts a new collaborative Chew Catchment Project to be delivered by Bristol Avon Rivers Trust and local partners, designed to bring together local community groups in a mutual mission to protect the river for years to come.

Nearby residents will also be trained in ecology so that local people can take part and explore how the river develops as the scheme progresses. The data will then be used by Bristol Water and the Environment Agency ("EA") to measure the success of the scheme.



PICTURE: CHEW CATCHMENT PROJECT



## ► Case study

**Spawn to be Wild** The European Eel is more endangered than the Red Panda. And educating the next generation on ecology and the importance of a high quality water environment needs to start at an early age, and be done in a way that is memorable.

School children across Somerset and Bristol are helping to save the critically endangered European Eel by releasing hundreds into local rivers and lakes after nurturing them in their classrooms. June 2019 marks the 5,000th eel to be released as part of the Spawn to be Wild scheme, created by Bristol Water in partnership with Avon Wildlife Trust and Bristol Avon Rivers Trust. Baby European eels travel on oceanic currents from the Sargasso Sea to Europe. Here, the baby eels transform into elvers, where they have taken a month long pit-stop in five local schools in a bid to protect them from environmental threats while they grow.

Bristol Water have also installed special eel passes at Blagdon Lake to further protect the elvers, helping to ensure they can pass through beds of bristles and travel upstream.



## Facts and figures

Baby eels (known as elvers) reach our waters each spring.

They have swum 6,000km to get here...

... and are 2 years old when they arrive.

26,000 eel barriers across the UK help them migrate upstream to find a place to live.

They can live in our streams, ditches and ponds for up to 40 years.

There has been a 95% decline in the European eel population in the last 20 years...

... so 1,000 local schoolchildren are helping to protect this endangered species...

... by releasing 5,000 (and counting) eels into the wild.



# Responsive to customers

We set out to provide outstanding water services in a sustainable and affordable way to meet and exceed our customers' expectations.

## Affordable bills

We have a number of schemes in place to make sure we help customers who find it hard to pay their water charges. We monitor the percentage of our household customers that we classify as experiencing 'water poverty' (those who spend more than 2% of their net income on paying their water charges) and offer advice, assistance schemes and capped tariffs, known as 'social tariffs'. We are very pleased to say that we have exceeded our target in this area by ensuring that none of our customers are in water poverty.

## Satisfied customers

Ofwat uses the Service Incentive Mechanism ("SIM") measure of customer service to compare the performance of the water industry in England and Wales in respect of the service it provides to customers. The SIM comprises a composite quantitative measure relating to the number of calls received because something has gone wrong (it captures the number of written complaints and escalated written complaints) and a qualitative measure in the form of a customer satisfaction survey.

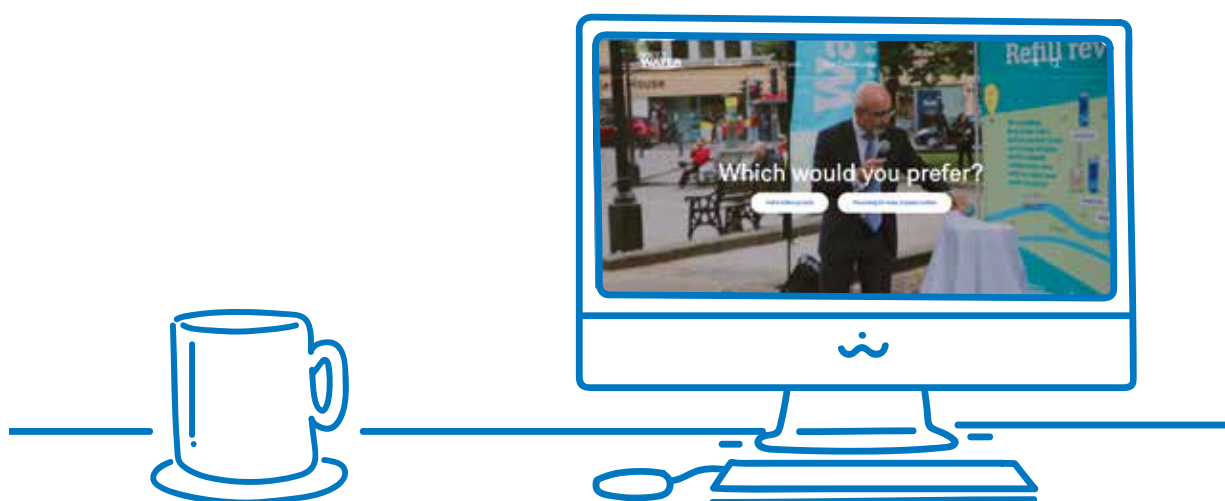
Our SIM score in 2018/19 is 84.7, an increase of 1.3 on the 2017/18 result. In terms of the qualitative ranking, the measurement makes up 75% of the SIM score and based on this, we ranked 10th. Our relative performance on the quantitative element is not yet known until other companies publish their results; these will be available in July 2019.

The quantitative part of the SIM score has improved in 2018/19 from 19.82 (out of 25) in 2017/18 to 21.15. This is a combination of both our written complaint and unwanted phone contacts performance improving significantly, even with a large amount of low pressure complaints during the summer months. To achieve this performance we have created an action plan which has introduced a number of improvements. For example, our customer care team introduced in October 2018 ensures that every task promised to a customer is carried out as expected. They also resolve all complaints as quickly as possible and respond to our instant customer feedback service. Ensuring our customers receive excellent customer service is absolutely vital to us, and we continue to focus on ways to improve the experience and service we provide.

## Easy to contact

While we understand the importance of providing a range of channels through which customers can contact us, telephone is still the preferred and primary method, so it is important that we monitor the satisfaction of this service.





In 2018/19, 91.4% of consumers surveyed considered that it was easy to contact us by phone, which was a reduction of around 1.7% compared to 2017/18. This measure is calculated through eight surveys of 100 consumers. Customers expect us to have quick and accurate information so we are working on improvements to make information more easily available to our employees so they can answer questions consistently and correctly the first time.

#### Bills are accurate and easy to understand

Our customers want bills that are accurate, clearly presented and easy to understand, we monitor this by measuring a subset of the number of 'unwanted' billing contacts we receive.

'Unwanted' is the term used by Ofwat in its quantitative SIM measures for calls which the customer would prefer not to make, in the sense that they are dissatisfied because they are experiencing a problem or concern, are making a repeat or chase call, or want to complain.

In 2018/19 we had 1,595 negative contacts regarding this, which was a significant reduction on both our target and last year.



**84.7**  
SIM score



**91.4%**  
said we're  
easy to  
contact



**1,595**  
negative  
contacts

Outcome	Performance commitment	2018/19 target	2018/19 actual	2017/18 actual	Target achieved
Affordable bills	Percentage of customers in water poverty Percentage	1.9%	0%	0%	Yes
Satisfied customers	Ofwat measurement of customer service SIM out of 100	87.0	84.7	83.4	No
Easy to contact	Ease of contact Percentage rating from surveys	>96.5	91.4	93.1	No
Bills are accurate and easy to understand	Number of negative billing contracts Number	2,240	1,595	2,300	Yes

# Best people, right culture

Employing the very best people and fostering the right culture within our business is key to our continued success.

## Safe working practices

We believe that we are successful only when we achieve our goals without harm to the public, our employees, our supply chain partners or those affected by our actions or omissions.

A reduction in accident numbers continues to be the overriding area of focus to ensure that overall trends improve and best practice is achieved. In 2018/19, four accidents were reported under the RIDDOR Regulations to the Health and Safety Executive. Despite a year on year increase in reportable accidents, Bristol Water's overall accident numbers during 2018/19, when compared to 2017/18, have seen a 20% reduction from 25 to 20, and with planned further improvement of Bristol Water's Safety culture this reduction will be ongoing.



## Skilled workforce

Bristol Water aims to have the "right people, in the right place, with the right experience, at the right time". Dedicated to developing a resource strategy that fits the needs of the business and secures our future, the Human Resources ("HR") team are focusing on time, cost and quality within the hire process. The team are also working hard to ensure that Bristol Water is seen as an 'employer of choice'.

Our appraisal process provides all employees with an opportunity to agree meaningful objectives for their work and review their performance and talk about development needs. We also use this process to identify and plan training and development needs that support people to competently deliver their role and develop new skills. This can include informal opportunities such as secondments, work shadowing and coaching, and also more formal activities such as further education and training.

The Employee Engagement Survey conducted this year has given us valuable insights into how our employees are feeling and where we can make improvements. The Company systematically provides employees with information on matters of concern to them, consulting them or their union representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.

## Gender pay gap

Since 2017, all UK organisations with more than 250 employees must publicly report on their gender pay gap. The gender pay gap shows the difference in the average hourly pay between all men and women across the whole organisation.

The pay gap is presented by a mean pay gap and a median pay gap. The 2018 gender pay gap figures have to be published by 31 March 2019 and are the most up to date figures.

**Our mean gender pay gap in 2018 is 20.2%**

**Our median gender pay gap in 2018 is 23.5%**

We also consider bonus as a mean and median gap.

**Our mean gender bonus gap in 2018 is 44.1%**

**Our median gender bonus gap in 2018 is 38.5%**

Compared to 2017, our gender pay gap figures have increased which is disappointing, however it is important to understand the detail behind these numbers. We have a higher proportion of males fulfilling roles which attract shift premium payments, as well as more men occupying senior roles within the organisation. These senior positions attract higher rates of pay which contribute to our gender pay gap.



Outcome	Performance commitment	2018/19 target	2018/19 actual	2017/18 actual	Target achieved
Safe working practices	Number of accidents reportable to Health and Safety Executive under Reporting of Injuries, Diseases and Dangerous Occurrences (RIDDOR) Regulations. Number	0	4	2	No

As mentioned above, the gender pay gap figures do not mean we are paying our male and female workforce different amounts for the same work, but it does highlight that there is more we need to do to reduce the gap by increasing the number of women that are supported to progress in the organisation. Areas we need to focus our efforts include:

- Increasing the overall number of women working for Bristol Water as currently only 29% of the workforce is female; and
- Attracting more women into the upper pay quartile roles as currently 87% of the workforce in this pay bracket is male.

Steps already being taken to help close the gender pay gap include:

- Expanding engagement with local schools to chat to students about prospective careers in the water industry; and
- Participating in events such as 'women in work' and 'women in engineering' to help raise awareness of the varied and challenging roles we have available and we are also pleased to support some of our colleagues who have volunteered to be mentors under the Women in Science & Engineering scheme.

The full report can be found on our website and includes further detail on our workforce split, pay distribution and what else we're doing to address the gap.

### Diversity

As an inclusive employer, we promote equality and inclusion throughout our people policies, procedures and practices. We are committed to employment policies which follow best practice as set out by The Advisory, Conciliation and Arbitration Service and are based on equal opportunities for all employees.

The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled employees. If members of staff become disabled the Company continues employment, either in the same or an alternative position, with appropriate retraining being given, if necessary.

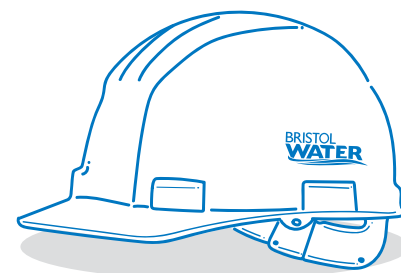
We continue with our efforts to ensure our managers have the tools to succeed, and are delivering both unconscious bias training and interview skills training across the Company. This will help encourage diversity. We have also reviewed and updated our policies relating to flexible working practices, support for parents and carers and volunteering to help promote an inclusive and supportive culture.

### Modern Slavery Act

Bristol Water strongly opposes slavery and human trafficking, and would never knowingly conduct business with suppliers or contractors engaged in such practices.

We have several key contract partners who work with us to help us deliver services for our customers in our supply chain including, amongst others, Pelican, Kier Services and Wipro. They and our other suppliers know that we require our contractors and suppliers to comply with the Modern Slavery Act 2015 (the "MSA Act"), and that we will not continue to purchase goods or services from any supplier that is found to be engaging in human trafficking or using slave labour.

Bristol Water does, and will continue to, review its own operations and supply chain to evaluate human trafficking and slavery risks. At present this is done internally. Bristol Water also includes compliance with the MSA Act as a requirement before entering new agreements with contractors or suppliers.



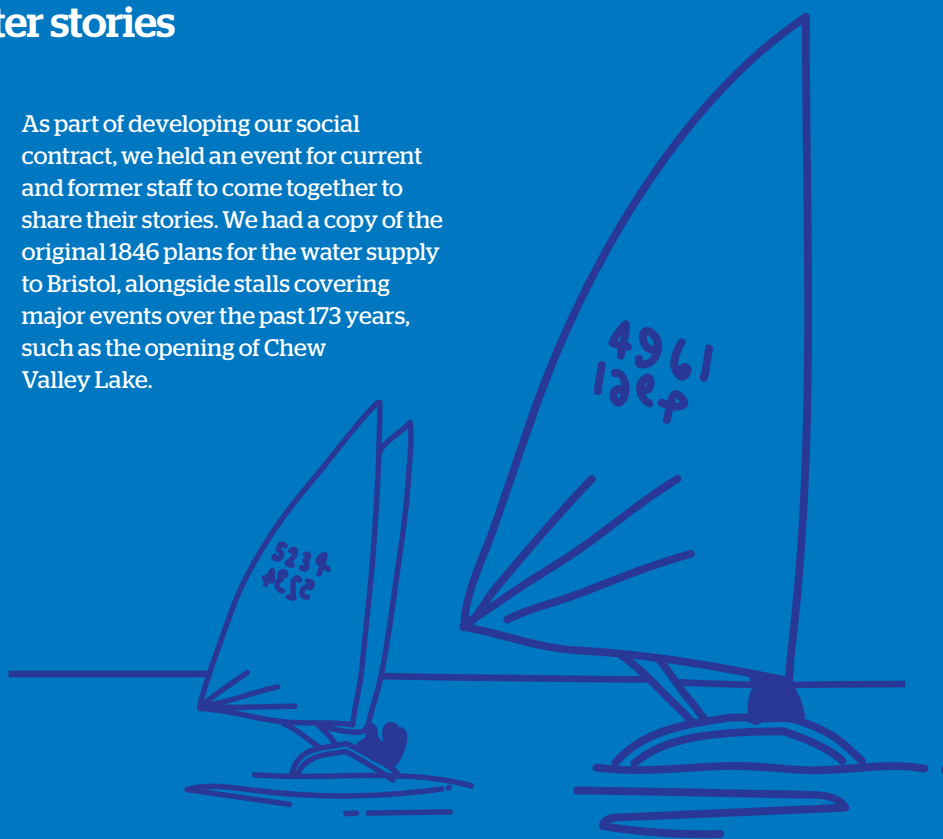


## ► Case study

### Social contract – our water stories

The culture and values of the people who work at Bristol Water form a key part of our social purpose – to have a positive impact on society and the environment – building trust beyond water. As part of engaging customers and stakeholders in our social contract, we have used examples from throughout our history to illustrate that strong social purpose to improve public health and to supply water to all, not just the wealthy. We stay true to these roots today. We have used these examples as part of the launch of our Social Contract, including events with national and local stakeholders, such as co-producing the “Social Contract – evolution or revolution” document with ICS Consulting. The themes from the past, such as the need not to waste water, still have resonance today.

As part of developing our social contract, we held an event for current and former staff to come together to share their stories. We had a copy of the original 1846 plans for the water supply to Bristol, alongside stalls covering major events over the past 173 years, such as the opening of Chew Valley Lake.



# Sustainable business

We need to spend customers' and investors' money efficiently and wisely to retain investor confidence, maintain returns in line with the expectations of the financial markets, delivering improved services and keep water bills affordable.

## Investor confidence

We use effective financial management and open communication to maintain investor confidence in order that we can secure funds to invest in the business to deliver our long-term strategy. We have maintained better than the minimum investment grade rating required under our licence. Our rating with Moody's is currently Baa1.

## Fair return to investors

To be a sustainable business, it is important that returns are fair and sufficient to attract investors to fund the investment required. Ofwat measure our financial performance using a metric called return on regulated equity ("RORE"). This ratio provides a measure of the value of companies' earnings relative to the equity component of the regulatory capital base.

The average RORE for 2015-19 was 5.1%, lower than the 5.8% assumed in our Final Determination which included significant challenges. Expenditure outperformance was offset by outcome delivery incentive penalties. Further details are provided in our Annual Performance Report.

## Highly reputable

Both our stakeholder satisfaction and customer satisfaction has improved compared to 2017/18. The in-depth interviews we carry out with our stakeholders as part of this survey identified that our reputation as a well performing local company that adds value to the communities we serve is strong. The survey recognised the leadership role we had taken with our social contract. Further details on our social contract are provided in the "trust beyond water" statement in our Annual Performance Report.



**5.1%**  
return on  
regulated  
equity value

Outcome	Performance Commitment	2018/19 target	2018/19 actual	2017/18 actual	Target achieved
Investor confidence	Credit rating Moody's rating	Baa1	Baa1	Baa1	Yes
Fair return to investors	Percentage return on regulated equity (RORE) Percentage	5.8	5.1	5.5	No
Highly reputable	Customer survey Percentage rating in survey	83	89	87	Yes
	Stakeholder survey Percentage rating in survey	53	75	72	Yes

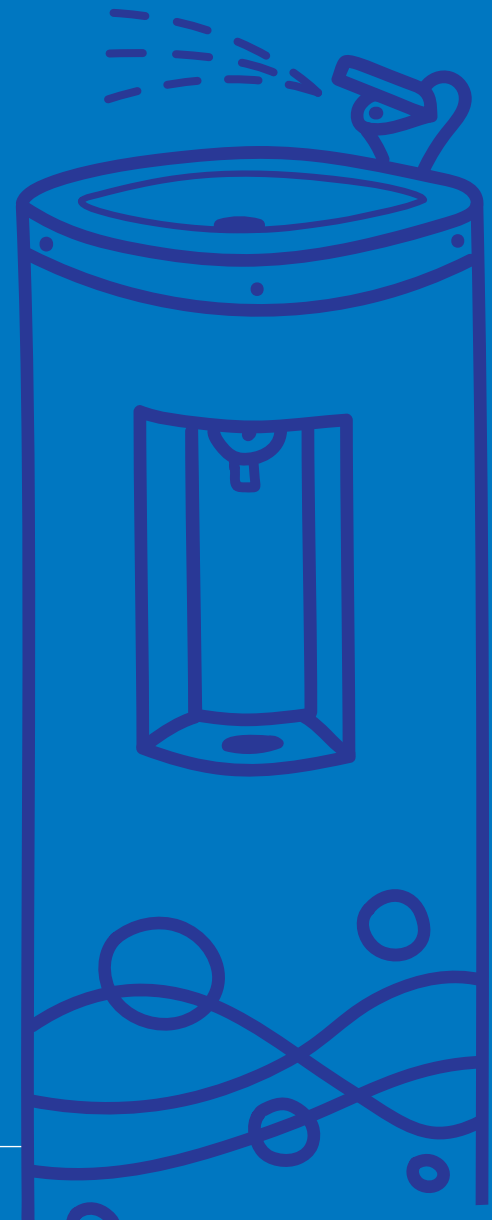


**► Case study**

# Promoting the value of water

We continue to take the lead in promoting the public health benefits of our water supply. As part of our social contract we are building on the Refill campaign with City to Sea and our Water Bar, which provides free water at events and festivals around the region whilst reducing single-use plastics.

Thanks to our partnership with Bristol City Council, we are launching eight new outdoor drinking water fountains across Bristol this summer. Award-winning campaigners Refill estimates that one million plastic bottles are bought around the world every minute... and that figure is predicted to rise by another 20% by 2021. By deploying our army of water fountains, we will provide an easy way to refill when on the go, which will not only help the environment but saves money compared to buying bottled water.



INTRODUCING THE FABULOUSLY CLEAR...

# Water!

- IT MAY NOT BE AN IPAD WITH UNLIMITED DATA, BUT IT DOES KEEP YOU ALIVE!
- WE WON'T PROMISE YOU NEXT-DAY DELIVERY LIKE AMAZON, BECAUSE IT'S THERE, AT YOUR TAP... RIGHT NOW!
- AND WE CAN'T GIVE YOU INTEREST-FREE CREDIT LIKE BARCLAYCARD, BUT AT £0.0001 PER GLASS IT'S PRETTY CHEAP ALREADY

Whenever you want it, it's there, keeping you, your family and your home clean and hydrated. So let's have it for the humble glass of water!

#BRISTOLWATER

