## **Bristol Water For All**

Our purpose and social contract to build trust beyond water



## CONTENTS

Introduction	2
Our purpose, vision and ambition	3
Our business plan for 2020 to 2025	5
Our history, our culture and our values	7
Why small, local community companies are the future	
Legitimacy and trust – what customers and communities expect	14
Why a social contract?	16
The aims of our social contract	17
How it will work in practice	19
How to get involved	27

## **INTRODUCTION**

Bristol Water has been providing an essential public water service to the communities within and surrounding the city of Bristol since 1846. We were established by an Act of Parliament as a privately financed water company with a strong social purpose to improve public health by the provision of a clean and affordable supply of water to the whole city (not just the wealthy few).

> Our founders were passionate about the wellbeing of society and throughout our history that same pride and passion has been felt by the thousands of people who have worked for Bristol Water over 170 years. This is manifested through the culture and the values that we bring in serving our communities. Being small and local helps us to connect with the communities we serve and to provide a personal service which builds and retains the trust of our customers.

There have been many questions recently about the corporate governance of businesses in general and for utilities such as the water sector more specifically. These questions include whether the purpose to serve their customers and society is strong enough and legitimate enough for them to be trusted to continue to fulfil this role.<sup>1</sup> We think this is an important question, one that requires strong leadership from those running essential public services.

It is not just a question of great customer service – that is a basic expectation. We expect to be accountable for our contribution to societal wellbeing – it is not just what we deliver that matters to our customers and stakeholders, but how we deliver it – to achieve the wider social (including environmental and economic) benefits that underpin our purpose. This matters to our staff through its impact on the culture of our company, but is also essential to our external legitimacy as an organisation.

There are many shared challenges that society faces, and our plans for the future build on our purpose so that we can deliver our mission – to be trusted beyond the provision of the excellent water service that our customers expect. In this document we set out our purpose, and the social contract that we willingly adopt as a fundamental part of our plan for 2020-2025 and beyond. Our social contract makes it clear how we will be accountable and transparent for the social promises our purpose has at its heart.

As well as the specific promises we make in our social contract, and the changes to our corporate governance we are making to modernise our approach for the future, we are keen to establish a discussion, both in the communities we serve and beyond. This document provides an overview of our approach, with links to where we will be publishing more information as our social contract develops. We will be running a number of events to explore this further, and our new blog exploring our social contract is at www.bristolwater. co.uk/socialcontract. You can also follow the discussion on Twitter @BristolWater, using #HydroSocialContract.



<sup>&</sup>lt;sup>1</sup> For instance see <u>Reforming Business for the 21st Century</u> by Professor Colin Mayer for the British Academy

## OUR PURPOSE, VISION AND AMBITION

Our purpose was established over 170 years ago, and we stay true to these roots today. This purpose is to have a positive impact on the lives of our customers, our communities, our colleagues, and on the environment beyond the delivery of pure and reliable water.

We recognise our privileged position as a trusted monopoly provider of an essential service and the opportunity that this provides to have a positive impact on society. We have worked with our customers and our stakeholders to define our role and guite rightly, they have voiced their expectations of us going beyond the actions of a responsible private company. Our role will therefore never be limited to just being a commercial transaction to supply a service to bill payers, but is a matter of public health and the wellbeing of society as an essential public service to communities and the environment. Our purpose is reflected in our vision and mission statements.

Our vision is long-term, we are not just accountable for how we deliver today, although we think this is also important because we are a privately financed company that has to balance competing priorities. The longterm context is how what we do as an organisation contributes to resolving the social wellbeing challenges that we face. This can be seen in the summary of our future ambition, which we developed with our stakeholders



and is set out in our long-term ambition document <u>'Bristol</u> <u>Water...Clearly'</u>.

As the summary of our future ambition above shows, our purpose has many facets, reflecting how we care about the wellbeing of society and the environment.

The key to this ambition and how we deliver for the communities we serve is the people within Bristol Water. They are experts in their fields, whether this is water quality scientists, network engineers, operational staff. environmentalists or the many other roles within the organisation and its wider supply chain. Our staff are also our customers and share close connections with the communities we serve. They care deeply about the overall experience we provide to our communities. It is this culture of personal commitment that our public service requires (24 hours a day, 365 days a year) and the sense of pride, for the history of Bristol Water will ensure that our legacy endures and thrives in the future.



## Our vision: 'Trust beyond water - providing excellent customer experiences.'

**It reflects our mission**: 'To be a company that our communities trust and are proud of. In doing so, we will deliver excellent experiences and create social and economic value.'

Mel Karam, CEO

## NEWSLETTER

Editor Eric Buston FIPR Editorial Assistant Linda Powell

THE HOUSE MAGAZINE OF THE BRISTOL WATERWORKS COMPANY Volume 29 Number 6 December 1975

## EDITORIAL

## The spirit of the Company

The Company's annual dinner dance held at the Esso Hotel on December 6 was again a very successful and enjoyable evening, the attendance this year being considerably greater than last year, when the first move out to this new venue was made.

The occasion had a special significance for the Chairman, Mr. J. H. Britton, since it was the last function of this kind that he would attend as Chairman of the Board. He has already indicated that at the annual meeting in April he will step down from the responsible position he has held for the past five years.

It was therefore very fitting that after Mr. Britton had proposed a toast to the continued prosperity of the Company, the General Manager and Secretary, Mr. H. F. Cottrell, should invite everyone to rise again and drink the health of the Chairman.

### Public service

In his remarks after dinner Mr. Britton described BWW as an important piece of public service and said they had had a very successful year. "Indeed," he said, "the spirit of our Company might well be emulated in some of the larger national corporations to their very great advantage."

He had a special word of appreciation for Head Office staff who had had to overcome some unusual problems recently and continued "We have supplied all our customers with water this year, in highly unfavourable weather conditions, without any sort of restriction whatsoever. That is something everyone can take credit for having achieved."

### Happy memories

After referring with pleasure to the presence of his predecessor as Chairman, "the indomitable Lord Sinclair," and "the irrepressible Lady Sinclair," Mr. Britton went on to say, "My spell as your Chairman is drawing rapidly to a close and I shall go with many regrets but also with many happy memories as well.

"Last Monday I gave 40 years' certificates to five of our employees and they nearly all said, in the course of conversation with me, that if they had their lives to live over again they would like to come back and work for BWW. As long as that is the spirit in the Company and my successors get that response from the staff who have served us well, you may be sure that the heart of the Company is sound."

A selection of photographs taken at the dinner dance will be published in the next edition of Newsletter—which meanwhile wishes all its readers, and their families, a Merry Christmas and a Happy New Year.

Extract from company newsletter from 1975 showing the sense of pride and passion in working for Bristol Water, and how the Chairman referred to the sprit of the company and its importance to public service.

## OUR BUSINESS PLAN FROM 2020 TO 2025

# **Bristol Water For All**

Our plan to deliver excellent water experiences





## 2020-2025

'We made a commitment to deliver demonstrable community benefit with high levels of customer satisfaction, transparent engagement and financial consequences should we fail to meet expectations.' Our PR19 business plan anticipated many of the challenges to the legitimacy of the water sector – it formed a core part of a dialogue in developing our plan with our customers and stakeholders.

We recognised that accountability for a positive impact on the wellbeing of society was a key issue aligned to the level of trust which customers and stakeholders place in us.

To demonstrate our commitment to fulfilling our purpose, as part of our business plan we pledged to develop a social contract, the first in the water industry, to provide a framework for the delivery of our purpose in a way through which we can be held to account by our customers and our stakeholders.

We made a commitment to 'deliver demonstrable community benefit with high levels of customer satisfaction, transparent engagement and financial consequences should we fail to meet expectations'.<sup>2</sup> We also set out how we plan to balance the interests of our customers, stakeholders and shareholders.

<sup>2</sup> Bristol Water for All: our plan to deliver excellent water experiences, page 10, https://www.bristolwater.co.uk/ForAll

## Customer priorities and stretching promises at the heart of our plan



'These commitments [our performance commitments] reflect the wide range of customer views about how to use transparency to maintain trust. The commitments are designed to reflect our local community delivery model, innovating for the wellbeing of society by linking customers and stakeholder experiences for the benefit of all. Through "Bristol Water for All" we establish a social contract with our customers. We vow to deliver demonstrable community benefit with high levels of customer satisfaction, transparent engagement and financial consequences should we fail to meet expectations.'<sup>3</sup>

<sup>a</sup>Bristol Water for All: our plan to deliver excellent water experiences, page 68, <u>https://www.bristolwater.co.uk/ForAll</u>

## OUR HISTORY, OUR CULTURE AND OUR VALUES

Our social purpose was set over 170 years ago by our founders and throughout our history our employees have continued that purpose through their passion in what we do and through their local connections to our communities. This culture is reflected in the values which the company holds today.



William Budd, one of the fathers of Bristol Water

The challenges to the water sector and questions of its legitimacy today are not new when you consider the history of Bristol Water. Throughout our history there have been repeated questions about our role and whether we were delivering against it. These challenges often coincided with periods when the company appeared to lose its focus on the social aspect of our purpose, for example when trying to limit supplies or increase bill levels. However, we retained customer support through our local connection and great service experiences and by refocusing on our purpose.

Over the course of our history, many other water companies were municipalised, merged, or taken over. There were many attempts by the state or public authorities to take over Bristol Water in the early years of its existence – all failed because of local support, good service and a reasonable price.

The Board of Bristol Water always managed to recover the connection with the community and the social aspect of our purpose in time to defend its future role. It is the culture of the workforce that allowed essential changes to be made to remain true to our purpose, particular at times of challenging financial circumstances. More recent history shows this remains important. When the water industry was restructured in 1973 into regional water authorities (the larger companies that were ultimately privatised in 1989), private water companies such as Bristol Water were allowed to continue to operate unchanged within this new national framework, because they performed well

When the Wessex Water Authority was founded, its new Board and management included many people from Bristol Water, demonstrating the importance of a local connection that a privately financed company with a social focus already provided.

This adaptability to change because of a strong social focus and culture remains just as important today. Following major challenges from Ofwat to our business plans in 2009 and 2014, and the change in shareholder ownership since, the Board of Bristol Water has supported the executive team in re-establishing this social focus and the values of the organisation at the heart of our future plans. Whatever the changes to the structure and role of the wider water industry that are proposed, we will rely on the strength of our local connection to deliver benefits beyond an excellent water service.

Balancing the interests of all stakeholders is important. Fair profits and returns to shareholders enable long-term investment to deliver our purpose. Throughout our history the alignment between the needs of investors and the community has been central to the major improvements to public health and the water environment in the area we serve.

There has been extensive academic research into the history of Bristol Water and the factors that meant it never came under public ownership. The research suggests that the innovation needed to address the public health challenges and accountability for the outcome could only have been delivered guickly through private finance organised by those with a strong belief in this social purpose, given the challenges and risk involved. We think this culture and role of private finance remains relevant because it allows innovation to be targeted at social challenges, as long as there is a clear social contract to ensure this approach is the focus of the organisation and is reflected in its values.

'[the study] recognises the importance of the achievements of the privately funded water company, based on their willingness to invest in the relatively immature and financially risky technology of water supply infrastrcture and their interest in improving water provision, public health and – probably – the local economy.'<sup>4</sup>

<sup>4</sup>Thornton & Pearson (2013): 'Bristol WaterWorks Company; a study of nineteenth century resistance to local authority purchase attempts.'

Bristol Water was founded in 1846 with a proposal to bring water from outside of the city to serve the whole city. At the time, water companies did not have to supply the poorer areas of cities, where income was lower and non-payment rates likely higher. Among the company directors were a number of Quakers, with George Thomas in particular known as a prominent philanthropist as well as William Budd, a prominent local physician.

The company continued to be ambitious, continually expanding water storage infrastructure, building new reservoirs and accessing new soruces to fill them. Public health and philanthropic roots

William Budd was ahead of his time in establishing the link between poor quality water and disease.

15 months after incorporation, water began to be supplied to the city of Bristol. It is said that the culture of gentlemanly capitalism of the early 19th century of 'respectability and gentility helped solve the standard collective problems that bedevil the production of public goods'.

The company fought off a rival plan because of its greater social ambition.

Bristol Water was incorporated in 1846 – chosen by Parliament from two rival schemes.

The local council did not support the bid against the rival who just wanted to supply the wealthy area of Clifton.

Bristol Water had an expensive scheme because of its ambitions. The company did not make a profit until 1875.

Performance difficulties and national policy favouring municipal ownership saw multiple purchase attempts and most similar companies did change structure.

Early performance (service and financial) was challenging, but the local engagement and social nature of the enterprise kept trust despite the challenges. Bristol transformed from one of the unhealthiest to one of the healthiest cities over the early years. Water bill levels and dividends caused conflict, but the local and social ethos and quality of service kept public support for the private model.

Supply failures to Clifton means council tries to open old polluted springs as alternative supply.
After a long drought, the council does open rival springs, but they fail water quality tests.
Bristol Water attempts to remove requirement to provide a constant supply and seek to require metering as well as charging wealthy areas more.
Bristol Water second attempt to reduce supply and increase price – council campaigns against bill, trying to encourage a rival company.
Attempt to purchase Bristol Water by the council due to lack of water for fire fighting. Rejected by Parliament as performance deemed satisfactory.
Bristol Water attempts to raise more capital but resisted by council as it would make takeover harder. Public objections to high bills and 10% dividends in 1872. Parliament allows more capital but dividents restricted to 5%.
Bill to allow competition from West Gloucestershire Water Company not supported.
Council support Bill to allow rival supply with water pumped from the new Severn Tunnel, and a further purchase attempt.
<ul><li>1898, Further purchase attempts – both price and service quality meant local support for the company was maintained.</li></ul>

These examples of letters of thanks from our archives demonstrate the values which our people hold and their commitment to providing a great all round experience for customers, as part of the local community, sometimes by working in difficult conditions.

1975

## Trunk main burst was 14 feet down

A burst in the 15-inch trunk main below the roadway just outside Victoria Pumping Station caused the lower end of Oakfield Road, Clifton, to be closed to traffic while repairs were made.

The broken main was quickly isolated and supplies to consumers were not affected, but water entered the basements of a few nearby houses and offices.

The trunk main was 13-14 feet below the road surface and the repair job was made more difficult by torrential rain, which at first washed excavated soil back into the trench.

The Northern Division men getting on with the job while the picture was taken were A. Higgins, W. Naish (senior foreman), J. Cutler and C. Woodruffe.



### 1962

### Please come, she said

### - and there they were

A Somerset woman has been amazed at the swift service provided by the Bristol Waterworks Company in meeting an emergency. She arrived back at her house after an S.O.S. call for help, from a telephone kiosk, to find members of the company's staff waiting outside her home!

The story, as related to me, was that the housewife had no water in her house because of a leakage caused by a burst pipe. It was a matter of urgency because her child was ill.

She walked quickly down the street to a telephone kiosk, rang up Bristol Waterworks Southern Region and explained her desperate plight.

Southern Region telephoned Bristol Waterworks headquarters, who, in turn, sent the message by radio to one of the cars which was in the vicinity.

The mother, who, after making the telephone call, immediately retraced her steps homewards, was dumbfounded to see that a Waterworks car had got there first and was waiting outside her house with a workman prepared to deal with the trouble.

From the Western Daily Press-January 3rd

## Dart players in hot water !

BWW went to the rescue when members of Chapel Hill Youth Centre, Clevedon, literally got into hot water.

A darts player missed the board and punctured a hot water pipe!

In spite of efforts to plug the hole, water still spurted out and indeed it emptied a 100gallon storage tank. So a call was put through to Bristol Waterworks.

The Operations Room contacted Westonsuper-Mare service centre and waterman Mike Hepden was alerted by radio. Within minutes he was on the spot and shut off the supply. He also helped to drain the hot water system to prevent further flooding.

### LETTERS RECEIVED

### 1966

1974

16 West Street, Oldland Common, Near Bristol. 21st March, 1966

Bristol Waterworks Co., Service Department, Soundwell Road, Kingswood, Bristol. Dear Sirs, This morning I telephoned the Company regarding a leak in the stop tap on the pavement outside my house, and when I arrived home at lunch time, the workmen had arrived and the job had been completed.

I should like to express my appreciation and thanks for the prompt service, and for the speed with which the work was completed. Once again, many thanks.

Signed

R. Fridge

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Subscriptions.	
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Social causes associated with our purpose also feature in the wide range of local and national bodies that were supported for example those listed in our 1954 accounts. The mixture of staff welfare, the local economy, business standards, social issues and local community groups illustrates topics that still might feature in a social contract for a water company.

Our purpose is reflected in the values we have as an organisation today, which provide a description of our culture and how we see it developing over time.



We set out on the following pages how our social contract will reinvigorate our focus on contributing to the wellbeing of society. Our contract also reflects the fact that for any water company, it is not sufficient just to deliver great customer service, but we also need to build trust with customers, stakeholders, and given the importance of our culture and values, the trust of the workforce and supply chain.

## WHY SMALL, LOCAL COMMUNITY COMPANIES ARE THE FUTURE

# Customer and stakeholder participation in what we do and the value that we bring to communities is important – it forms a key part of the experience in working with us to address the shared societal challenges that we face.

Being a small, local company with strong links to our communities helps us to have these conversations on the water and environmental topics which we are passionate about.

Our customers and stakeholders expect us to have a direct, faceto-face connection with local communities, so that they can quickly see real action arising. Our commitment to how we engage our customers and stakeholders forms a key part of our social contract. This can be seen in the <u>video</u> that formed part of our recent business plan.

People connect with local services

and local decisions and we offer local engagement and participation. One potential challenge to our social contract is the degree to which decisions can be taken locally, given that we operate within a largely national regulatory and policy framework, something that often limits engagement in other public services. Why will people take valuable time to engage, unless it is something they connect to in their lives, where their engagement can make a significant difference to the outcome? Without this, a social contract will have little impact on public trust in their local supplier.

Together with some other local water suppliers we commissioned

a <u>report from EY</u> to explore the evidence for why customers should benefit from local suppliers such as Bristol Water, and how this benefit arises in practice. Factors such as agility, innovation and being more consumer orientated were highlighted. We have used the insight from this report in developing our social contract, which underpins our purpose in a way that we hope ensures our local approach can thrive within the national framework we operate within.

Local water suppliers of a similar in size to Bristol Water are typical outside of the UK. Some are commercial organisations,



but generally there is a local or regional government ownership or commissioning of service levels. Whilst water and waste water services in England are not organised this way, our community partnership approach helps us to be accountable to local government. Our accountability and responsiveness to Government, including local and regional Government is also a vital part of delivering our purpose for today and the future.

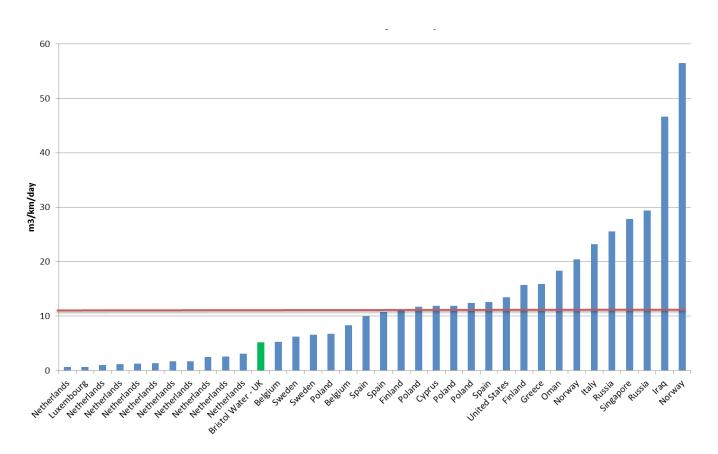
We compare ourselves to similar organisations across Europe, through the European Benchmarking Co-operation (EBC) Foundation, which helps us to assess the effectiveness and efficiency of the way we work. We are currently the only UK company in the EBC, but we find it useful to compare ourselves to similar organisations elsewhere. As an example, on leakage we perform better than average compared to our European counterparts, despite having an older water network than in other areas. This reflects our history as an early innovator in public water supply.

Our proposed approach provides clear accountability for the experience we provide to our customers and communities. The regulatory framework we operate in helps to ensure that we are incentivised to deliver against our commitments, and that our shareholders carry the risk if we don't deliver and receive a fair return if we do. Our plan recognises that whilst there is a benefit to customers from this framework. we can build on its effectiveness by focusing incentives on how we deliver local community and social outcomes, rather than just service experience – a concept which our customers support. Even then, this is not on its own sufficient for trust and accountability given the importance of our role, which is

why a social contract is required.

Another reason why our local connection is important is it helps to maintain our resilience as an organisation. Despite 2017/18 including a number of challenging operational incidents for us, we were rated as the top water company in the UK Customer Satisfaction Index (UKCSI) and were also rated as the most trusted utility. We published a number of case studies on what we did to learn from these incidents, rather than taking this trust for granted, which we highlighted in our Annual Report. As well as formal corporate reports, it is important that information on what is driving the decisions the Board of Bristol Water face and how this reflects our purpose is transparent and accessible. We published our first summary 'Trust Beyond Water' statement last year, which we will build on further as part of our social contract.

### Distribution losses per mains length (anonymised to country for individual companies)



## LEGITIMACY AND TRUST – WHAT CUSTOMERS AND COMMUNITIES EXPECT

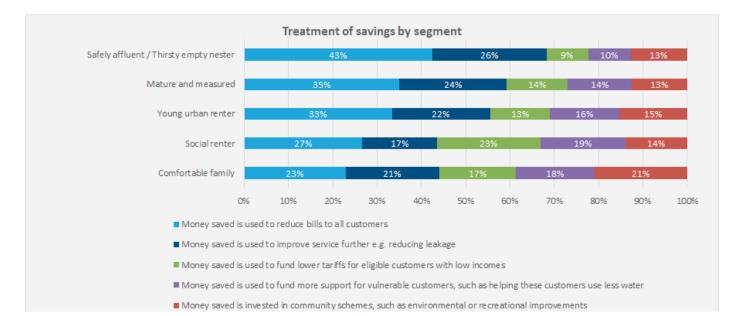
## To help understand customer perceptions of the future of the water sector, we engaged a research company (Accent) to explore what factors affected trust, and the role that a social contract could play in enhancing this.

The research found strong support for Bristol Water continuing to fulfil its role, with less than 20% supporting nationalisation. This was much lower than the support for nationalisation found in other, national, surveys. For some this was because of the local connection with the company. For those less aware of our approach, there was a clear view that a social contract could make a difference for those who could not recall direct service experience of Bristol Water, and therefore found it difficult to weigh up the alternatives to the status quo for the sector.

There was a range of views on what a social contract should cover in order to further build trust in Bristol Water, suggesting that it needed to be comprehensive and cover a range of fairness issues from Board governance over our social impact, to local community investment. Separate research to explore Once the social contract is added, this broadens out people's response but still with an endorsement for a privatised solution



the views of different customer segments showed that as the model develops, benefits should apply across a range of community, environmental, and social programmes, as well as improving core services and lowering bills. Initiatives that can be shown to deliver social as well as economic benefits and efficiency savings are likely therefore to have the strongest support from all customers. A social contract has to cover a wide range of topics in order to build trust – how we do this and to reflect our wide ranging purpose has been our key area of focus in its development.



### 1978

1972

### More parking and picnic facilities for Chew Lake

14 O F

Cathon and

Cheeve Lakee The Board has decided in principle, subject to phasing permission, to build the second of the second second second second second in the existing area on the orth shore and by the coentruc-tion of a new amenity area near Heron's Green. The proposals have been dis-cussed with the Countrylide Commission, who have already indicated enthusiastic support (which they gave to the first jonic area, opened in 1972). Some financial aid may be available under the provisione of the Countrylide Act. Walkwaves

### Walkways

Walkways The new facilities will provide takenide walk-myr an well as car parking and pienis (pace. The may shows there the meas area would be sided, overlooking Heroor's Green Bay, and with viewpoints across the lake in an area which is particularly rich in birdlife. It should relieve some of the parting which builds up along the B.3114 between Chew Stoke and West Harptree.

Wooded On the other side of the lake, a fenced path will be built along north shore to connect the

### Poacher's fishing line trapped young seagull

Append young seagult any McNicol, Fibrits elect at Wood-ford Lodge, scenthy recovered a young seagu in a any wold certain phase of the sease description of the sease of the sease description of the sease of the sease description of the sease of the sease back, where some rybon lines with hooks back to the sease of the sease of the sease takes of the sease of the sea

existing picolic area with the new one opposite Denny Island. This is a woolded area and the Company hoops that the public will preserve its natural features in the same was as they have cooperated in keeping the present picola area tidy and in not damaging the newly planted the interpole that the layout of the new area will be substantially the same at that which has a leady proved so nontha ahore, which has a leady proved so nontha hore. which

already proved so popular on north shore, with the inclusion of an amenity building in due



Among the 20 or so kinds of duck living at the Company's reservoirs are two interesting species which come only for the whiter, and consume the smallest finh and their fry, unlike most ducks which are vegetarians. These are the Goosander and the Snew. Each has a beak with "tootheft" edges, dapaged for grasping their prey while swimming under water, and they and their near relatives are grouped together as "sawbils".

### Plenty of first-class trout ready for Opening Day on April 20th

BWW's trout fishing seas pril 20 at 7 am. 

Fishing at the Barrows Charges at the Barrows, where the yearling stocking policy will contince, will remain unchanged:---B' Season Permit £40; Day Bank Permit £2.

A drake goorander has a striking plumage of black and white, the breast being a shell-pink, while the make same is mainly white with a few black stripes. As with many other birds, the females are much less striking, though they have reddish coloured heads. They will all probably leave us in March to breed in the far north.

t ready for Opening There will again be roductions on all all permit prices for juncts, old age permiseners and registered disabled. The Opening Day sarcharge, which was introduced in 1977, will again apply. For April 20 only, day bank permits will be double the normal price, i.e. 66.60 at Chew and Blagdon and & & at the Barrows, although normal half-price concessions will be allowed on the double charge. This excess payment, however, will be rodemable in the form of a complimentary permit after six visits during the season. Mr. Ernex Wright, the Company's Finhing. Mr. Ernex Wright, the company's finhing Chice said "Writh the temperator and containing improvements at the lacitative and the said will be introduced into all will the second second second second second second the said will be introduced into all will the second second second second second second the said will be latter and the said second second second second the said will be latter and the said second seco

## What small children thought of our new Picnic Area

Among the recent visitors to the Company's new Public Car Park and Picnic Area at Chew Valley Lake were a party of six- and seen-spear-ole children from Knowle Park School, Bristol.

Their teacher, Mrs. Kathleen Appleton, decided to take her class there after going first with her own family.

In a letter to the Recreations Manager, Mr. Kennedy Brown, she wrote that they were delighted with what they found.

### Teacher's tribute

"A great deal of thought, imagination and hard work has gone into this project," she said, "I cannot think of a more pleasant way to spend a sunny afternoon."

The children's happy reactions were made clear in a series of thank-you letters which they wrote to Mr. Kennedy Brown, and a few quotes from these are given in the adjoin-ing column. Newsfetter is only sorry that it cannot reproduce the delightful coloured crayon drawings which the children also sent in.

### Poet's corner-

Since time began there was a man Whose head was large as large, He was the owner of a yacht--He also owneed a barge. He said he sailed Around the world In less than thirty days, And only ate a carrol To keep away the daze. One day a friend called round his house And saw to his surprise The boats were only models And all the rest were lies. And all the rest were lies. KAOWLE PARK SCHOIL KROWLS Briscon

Dearsts we had a cover and ye secret we we had a cover at a chedly valuex lake and the dam hada man and the man had a drake and the drake has a bit of bread and the drake have a stink and the drake has a green head and the sun was shining

Love from Mark

And that was the letter that Mark to Mr. Kennedy Brown

Thank you for everything . . .

Thank you for every time are the set of the set of the set of the children wrote a letter of thanks (as they usually do after school visit). Here are a few more extracts: "Thank you for making the dam and the seaguls and thank you for the swans and ducks and thank you for making the picnic area". . from Jacqueline. "We saw a swan flying and we saw a

ducks and thank you ioi inaking the plant area"...from Jacqueline. "We saw a swan flying and we saw a seagull. I tiked it there"...from Melanie Callas: "I like the duck and the picnic area and like the lock gates"...from Matthew. "The lake is the beat"...from Matthew. "The lake is the beat"...from Aachel. "Thank you for the wave"...from Amanda. *No forgetting*----------Thank you for the toilets"...from

Jamie. Thank you for coming—BWW

ON WINGS AND WATER By D E Ladhams Small is beautiful

ations bordering the reservoirs, we som see feeding with the various tits a ver unobtrusive bird, the goldcrest (above l Peter Rock referred to in the Octobe wergreens, where it consumes minute insects ind their eggs. As its beautiful gold crest (with central red streak in the case of the male)

ind one fortaging near the we saw a party of nine g ong dead weeds last winte weighs about 5 gm, so or te swan, is over 1,000

## **Fishing at Barrow** No.1 while No. 2 is under repair

Barrow No. 2 has been closed for fishing while the water level is kept low to enable work to be done on renovating sections of the masonry.

In order not to deprive regular fishermen at Barrow, the Company has made No. 1 reservoir available for public fishing for the rest of the season.

The work is being carried out by Shellabear Price Limited for £137,468.

- Contraction

These examples from our history demonstrate our commitment to providing recreation facilities to share the enjoyment of our lakes, and also the passion our employees held for wildlife at our facilities. The On Wings and Water feature was a regular in our newsletters.



1980

1975

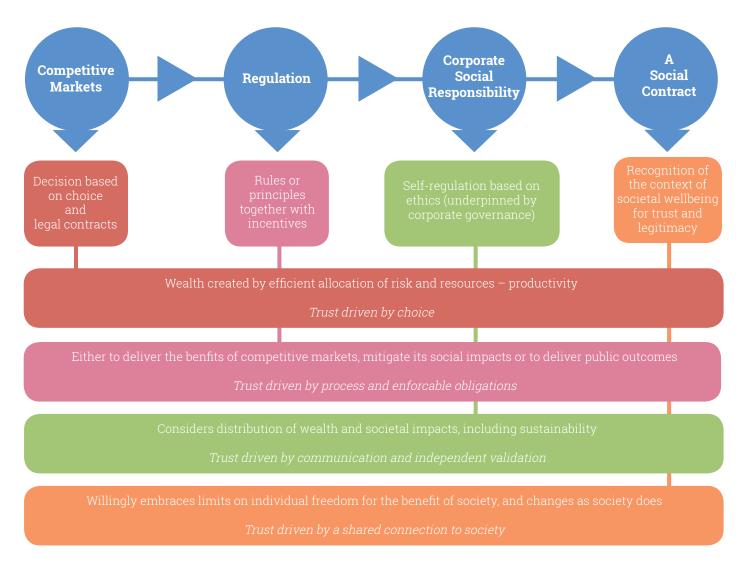




## WHY A SOCIAL CONTRACT?

We see a social contract as a framework that will help us have a positive impact on the wellbeing of society. It has to provide assurance of how we deliver services that go beyond the basic requirements of competitive markets, regulation and legislation and corporate social responsibility.

In our view, its role is the recognition of our purpose to benefit society. It is something that we do willingly, because we believe trust will be driven by a local connection with Bristol Water as an organisation, and the people who are part of the community. The social contract must be a local relationship with communities, rather than the national frameworks which often inhibit trust through lack of transparency and direct customer participation. A social contract also aligns the legitimate role of profit and reward for shareholders with the wellbeing aspects of our purpose, because of the level of transparency and accountability required, whilst not reducing the efficient risk allocation that comes from competitive markets and effective regulation. In practice we have always had a social contract which has evolved throughout our history as the needs of our local communities have changed. We continue to embrace this contract willingly. We are now seeking to formalise it in a way which builds trust through our accountability for our actions, in a way that allows this contract to continue to evolve as society does.



## THE AIMS OF OUR SOCIAL CONTRACT

The delivery of wider societal benefits in a way which contributes to resolving the key issues which society faces A framework for engaging with our local communities to understand their evolving needs beyond water, to assess how and where we can add social and economic value through the services that we provide

A process which ensures that Board level decisions focus on wider societal impacts and benefits of our activities

Fair and transparent policies, communications and ways of working which help to engender customer trust A transparent mechanism by which our customers, stakeholders and employees influence the decisions which affect our local communities

An approach which promotes innovation in response to societal challenges, and complements both markets and regulation.

A means of holding us to account to deliver the benefits of a local company, with financial consequences related to the cost to customers if we fail to perform on our social contract

### **Bristol Water Challenge Panel (BWCP)**

Formed of customer and stakeholder representatives, will oversee the programme and ensure viewpoints are understood and represented. Engages with management and the Board.

### **BW Board**

The Board will work with the BWCP to agree the composition of the programme and the reinvestment opportunities based on a review of progress.

Specific independent nonexecutive director focus on community and employees.

## Our Social Contract

### **Community stakeholders**

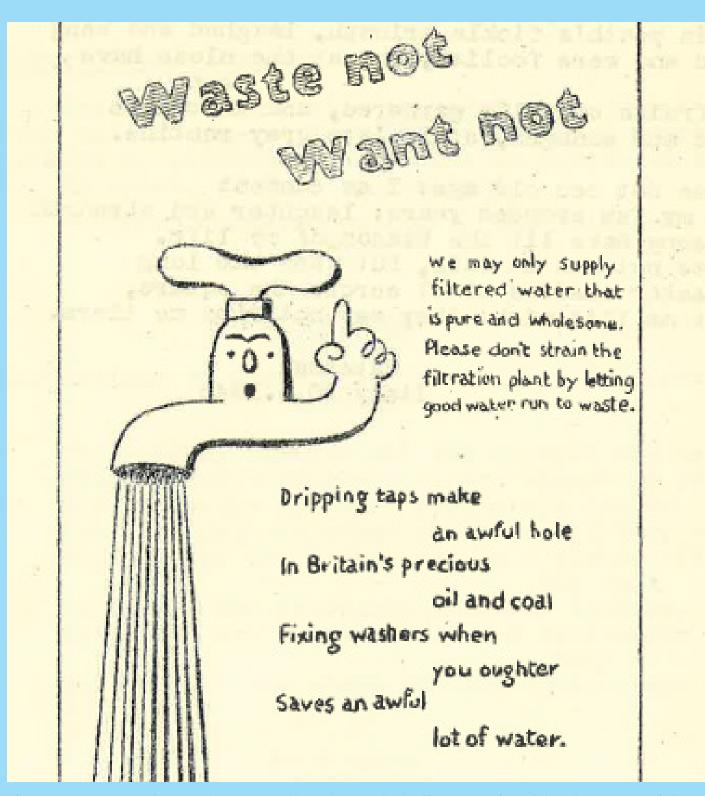
Will judge the delivery of the agreed community initiatives. Measures satisfaction, as how it is delivered is important to the ongoing contract.

### Customers

Transparency through our customer engagement forum, Youth Board and online panel.

### **Employees**

Engagement through the community projects. Link to trust and customer excellence through UKCSI. Link to innovation through our Brainwaves committee.



If we are to meet the environmental and social challenges of making best use of the resources in the natural environment, whilst protecting customers when they are in vulnerable situations (including the affordability of essential services), trust and legitimacy of suppliers will be a key issue for all. Our social contract is designed to live and breathe by bringing together local organisations that have a shared social purpose. By learning from each other, we can also improve the accountability and transparency of our work.

This is not a new approach for Bristol Water, such as shown in our advert from 1946!

## HOW WILL IT WORK IN PRACTICE?

## Role of the Bristol Water Challenge Panel

- To oversee the operation of the social contract
- To engage with the Board as a whole as well as the independent non-executive with the community and customer remit
- To facilitate trust and transparency – on the core delivery and how it is delivered beyond the basic services

• We propose to develop our contract through an agreed set of local community initiatives, linked to our 'Bristol Water for All' mechanism. This provides accountability for the delivery of a specific set of initiatives, each of which provide a wider benefit to society.

• Delivery of the social contract will be overseen by the <u>Bristol</u> <u>Water Challenge Panel</u>, with a formal process for adding, removing or revising initiatives. The Bristol Water Challenge Panel will continue to be independent to the company and will challenge all aspects of our performance, both in terms of accountability and transparency.

• The development of these initiatives includes engagement with both stakeholders and employees, with a clear link to the Board, to create a credible and transparent link to corporate accountability. Each initiative has an owner within Bristol Water, who believes in its contribution to our purpose.

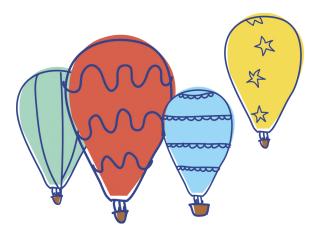
• We have a specific independent non-executive director, who has been appointed because of his links to the local community. He will ensure that both employee and community voices remain heard at the Board, and will act as a point of engagement for the Bristol Water Challenge Panel.

• Each initiative will have a Terms of Reference, which sets out the objectives, benefit targets, method of measurement, resource plan (people and budget) and key stakeholders with shared benefits. We plan to develop our measurement of benefits so that natural, social and human capital is considered as part of our decision making process, through working in partnership with others.

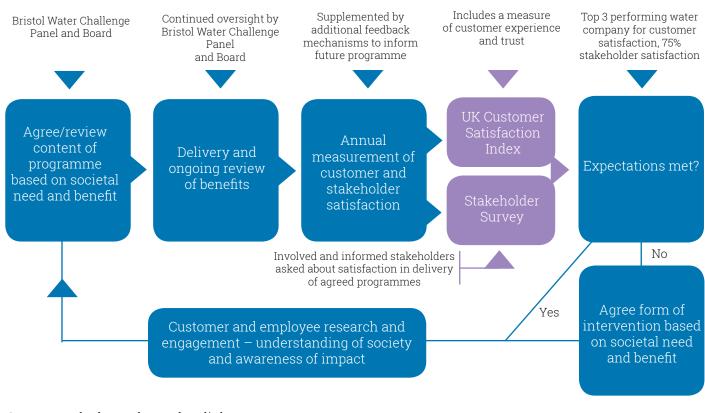
• Customer participation through active engagement and transparency of approach and performance will be used to inform and test our plans. Some of our initiatives, such as the <u>Youth Board</u>, cross over many of the key themes. Our initiatives include local events (including our Water Bar), which we use as part of delivering our purpose, as participation and engagement is a key part of our social contract.

• Our initiatives will be delivered through the passion and ongoing commitment of our employees. Our Brainwaves approach (part of our <u>Innovation platform</u>) will encourage our employees to feed into innovations which support the delivery of our purpose.

• As well as participation in the initiatives, employee engagement and customer engagement- through for example the Customer Forum and the Youth Board - will be used to inform the Board and Bristol Water Challenge Panel discussions on the delivery of the social contract. We will continue to publish the minutes from the sessions with the Bristol Water Challenge Panel on our website.



## The ongoing process



Our approach also makes a clear link to shareholder returns and executive pay through the "Bristol Water For All" mechanism, which includes an element of bill reduction for financial outperformance, and reinvestment based on the additional financial cost of being a small company.

These mechanisms will be finalised during 2019, as there is

a link to the level of returns and outcome incentive decisions to be determined as part of the price review process run by Ofwat, our economic regulator. More detail of the incentive proposals, initiatives and Bristol Water For All Mechanism can be found in our PR19 business plan.

Agreeing the scope and

measuring benefits is important for transparency. We will publish a summary of progress for our initiatives, as well as our measured commitments on the UKCSI and the stakeholder survey as part of our "Trust Beyond Water" statement, and make the information accessible alongside our other performance reporting.

## Bristol Water For All mechanism



We believe a social contract sits alongside market transactions and supply relationships (which we have with stakeholders for some of the initiatives), our regulatory framework and other aspects of delivering our purpose, such as donations to community groups. The process focuses decision making on our social impact, aligning our decisions across these aspects and ensuring our accountability. We see our social contract as a living entity which will develop and adapt over time, through this initial process.

## The initiatives

We have a number of themes that show the aspects that our local community initiatives and social contract will focus on.

Programme	Description
Academic Partnerships	Linking academic research to business challenges and experience to tackle key issues such as resource efficiency. Providing opportunities for learning through MSc projects and other partnerships.
Community Engagements	Working collaboratively with community groups to address issues that impact the wellbeing of the community.
Conservation	Protecting and enhancing natural resources through the proactive management of our sites and through measuring and improving biodiversity.
Education	Inspiring current and future customers and providing opportunities for customers and staff to develop skills and experience. Influencing resource efficiency behaviour to bill-payers through harnessing the power of the next generation.
Lakeside	Promoting and facilitating the enjoyment of our sites through recreational activities such as fishing, sailing, walking, cycling and birdwatching.
Regional Strategies	Supporting the development of regional strategies through working with local government – for example the West of England Combined Authority, or progress towards a carbon-neutral Bristol.
Resource West	Working with local partners to deliver a joined up approach to resource efficiency across different sectors – combining resources and amplifying messages to customers.
Vulnerability	Working with local stakeholders to help provide extra support to those customers who need it, through extra care services or social tariffs and debt advice.

## About our initiatives

Our community initiatives include a number of projects. Many of these will be delivered through partnerships, in particular Resource West, which has been established with other utilities and community organisations in order to co-ordinate across sector how resource efficiency messages can most effectively support change in consumer behaviour.

### Initial projects:

- Our commitment to improve education and awareness of water issues such as the number of pupils receiving a school talk on environmental matters and water efficiency or the number of initiatives undertaken as a result of the Bristol Water Youth Board.
- Our commitment to community leadership such as the number of new water fountains opened within our supply area, which builds upon the success of the fountains opened in Millennium Square and Queen Square.
- Our support for the Refill campaign.
- Our academic partnerships such as our water efficiency test site with the University of the West of England.
- Our contribution to the Bristol City Mayor and West of England Combined Authority Regional strategies such as the Active Roadworks initiative.

- Our commitment to community engagement such as the satisfaction with support of the festivals/events we have attended.
- Our commitment to improve our customer experiences and opportunities at our lakes and recreational facilities.
- Roll out the use of the biodiversity index toolkit where we work on land that we do not own.
- Work with Wessex Water to understand our combined environmental impact and to provide joint billing messages.
- Work with Bristol Waste on resource efficiency messages.
- Form an active network on best practice engagement on resource efficiency with west of England utility companies.
- Expanding and aligning our vulnerability support with Wessex Water and other utilities.

You can find out more about our initiatives and <u>community programme</u> in our <u>2020-2025 business plan</u>, as well as the benefits we expect apply to the natural environment, including expanding our <u>lakeside recreation</u> <u>opportunities</u> in partnership with a wide range of stakeholders.

'We want to continue to play our part in the local community with a programme of activities and initiatives, as well as working with local partners to help deliver our plans. Our stakeholders will decide if we are doing good work in the local area.'

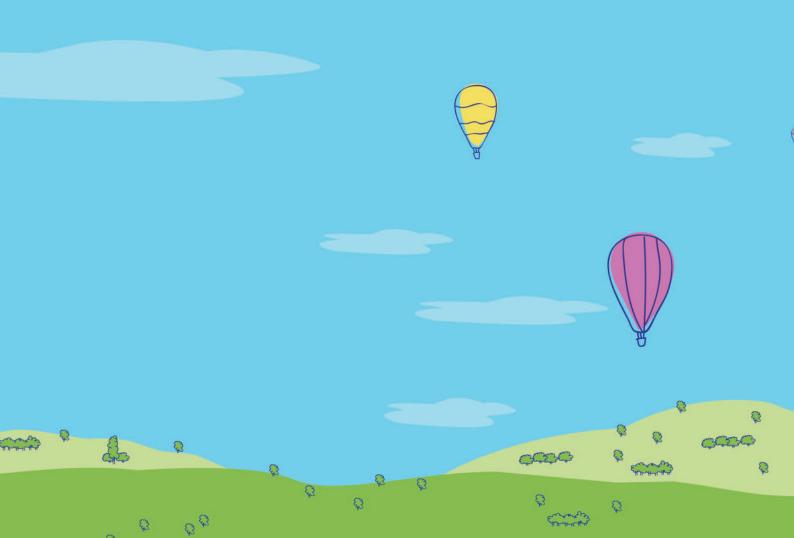


Communities are something social that is shared between people:

- Customers water catchments/supply areas
- Proximity a town or locality
- Communities of interest a shared goal or interest (science, education, recreation, environment, heritage, charity)



ResourceWest Sharing knowledge, Taking action, Cutting waste





0

3



## 1.1

110

1.1.1

## The benefits we see arising:

- Encouraging efficient use of resources.
- Addressing water poverty and vulnerability across different sectors.
- Education and engagement of future customers, including careers.
- Providing free public access to drinking water.
- Reducing the use of single-use plastics.
- Proudly sharing our history and providing public access to the

wealth of heritage resources, which we possess.

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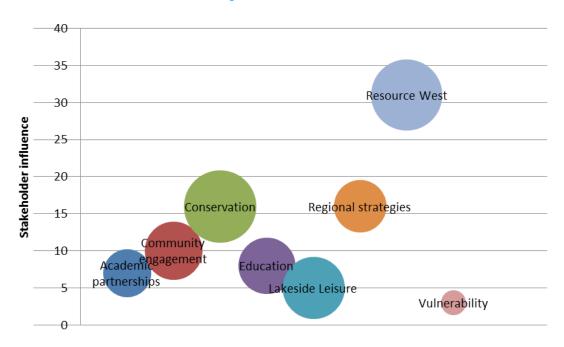
- Providing <u>recreational facilities to</u> <u>share enjoyment of our lakes</u>.
- Conserving and enhancing our natural environment.

3

- Developing academic and community partnerships to share knowledge and resources and to amplify the benefits of what we do.
- Feeding into local government strategies for water, food, energy and waste.



### Initial influence and impact of stakeholders on initiative areas



### Mapping approaches such as this helps us to analyse and report on:

- The key stakeholders who we need to work with to deliver each initiative and the programme as a whole
- The relative contribution each initiative makes to the delivery of each of our commitments
- · For each individual commitment, which initiatives are important
- An assessment of the social, economic, environmental and human capital related to each initiative

Throughout our history there are examples of how we were keen to share knowledge and skills. We think this may be the most important aspect of our social contract to engage with future customers so they want to build the skills we need in our people, are excited about how we can work together to address the challenges society faces, and save resources to protect the environment for their generation by influencing today's customers.

## The student who wanted to learn about water

UNIVERSITY student Paul Whatley wanted

experience in water engineering. So he approached BWW for the first spell of industrial training provided by the Company for engineering degree students on a regular basis Before returning to university he went on a

tour of works prepared by assistant engineer

Sigel Perkins. They are pictured at Barrow treatment works, where Nigel is explaining how the processing is managed from the control panel. Paul's tour of more than a dozen places covered the Company's development and work in obtaining temping and distibution state.

and bit of the second s

and he was impressed with how much thought. skill and dedication went into getting water to the tap, and with how much landscaping had been carried out by the Company on its

Paul, who left on September 27 to start the final year of his civil engineering degree course at the University of Wales, added: "The tour was really invaluable, and my experience with the company this summer has given me very



ood groundwork for my remaining study and, I hope, for a future career in the water industry. Mr. Gordon Street, New Works Manager, said: "This was the first time we have offered this kind of industrial training to a student and it has been a success. I hope we will be able to make a place available each year to somebody who shows an interest in a career in the water industry."

7



1978

1979

We are proud of our rich supply of historical resources and artefacts relating to Bristol Water, many of which are displayed in our museum at Blagdon. Re-opening this museum to the public forms an important part of our plans for 2020-25. Below is an example of how we used our visitor centre to share the 'wonder of water' with over 500 local primary school children.

1997

## The past comes to life to teacn the children of today about ... The wonders

ver 500 children from seven city primary schools came to **Blagdon Visitor Centre** recently to learn about the 'wonders of water', thanks to a special joint initiative with Bristol City Council.

The visits were like no other for the youngsters, as they 'met' Dr William Budd, a character straight out of Bristol's history ('resurrected' by local actor Peter Townsend). Dr Budd was one of the original founding fathers of Bristol Water back in 1846, and he helped to eliminate the scourge of cholera in the city.

'Dr Budd' brought history to life as he showed the children the beam engines and told them how water treatment had developed.

The visits were part of a special project which included free transport to and from the Centre, in an effort to give greater access to schools who find the cost of making such visits prohibitive.

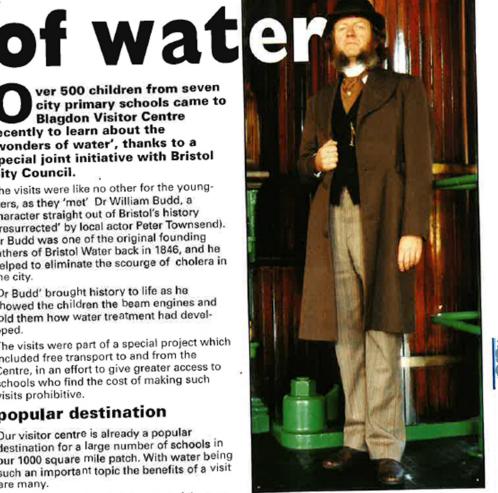
### popular destination

Our visitor centre is already a popular destination for a large number of schools in our 1000 square mile patch. With water being such an important topic the benefits of a visit are many

Having 'William Budd' doing part of the tour made the whole trip not only worthwhile from a teaching point of view but very memorable, too.

Once 'William Budd' had captured the children's attention, Bristol Water staff took each school on a guided tour of the Centre's educational exhibitions.

Over the last few months 'William Budd' has also been seen around the Knowle area, visiting schools, groups and organisations, helping to promote the £7 million Health Park



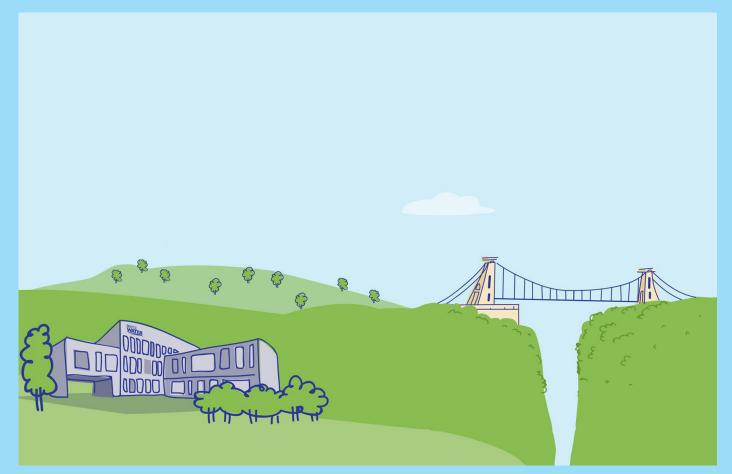
that is to be built on the site of the old Merrywood Boys School. The old health centre was named after him.

The 'Community Character' has been sponsored in a joint initiative involving Avon Health Authority, Bristol City Council, Bristol Water, and Knowle West Development Trust.

The children visiting Blagdon were fascinated with him, tugging at his whiskers to see if they were real. One even asked him: "Are you really over 150 years old?"

## HOW TO GET INVOLVED

The strength of our social contract is the partnerships with others in our communities to deliver shared goals which benefit society. By working together we can address the issues which matter most through shared knowledge and resources.





As with Resource West, we will build partnerships with those that share our social purpose and organisations that help to deliver shared goals across the public sector, private sector and social enterprises.

We would love to hear from you if you would like to get involved or if you have any comments on our social contract. If you would like to discuss this further please email strategyandregulation@

bristolwater.co.uk We will be running a number of events to discuss and develop our social contract during 2019, to promote both the history of Bristol Water, the important role of the Mendip reservoirs to the growth and prosperity of Bristol and the other communities who have benefitted and to develop the community initiatives. Following dialogue with interested parties, we will be also embedding our social contract within our corporate governance arrangements, based on what we hear.

We will be running a number of events to explore this further which will be advertised on our website at <u>www.bristolwater.co.uk/</u> <u>socialcontract</u>, or take part in our Twitter discussion @BristolWater using #HydroSocialContract.

