

Business Plan
2025-2030



Guide to our plan



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Introduction

This document provides a guide to our PR24 business plan.

Our narrative documents and data tables have been uploaded to Ofwat's SharePoint data capture site and are also available on our website at <https://www.southwestwater.co.uk/about-us/business-planning/business-plan-2025-30>

Our plan documentation is structured across five levels:

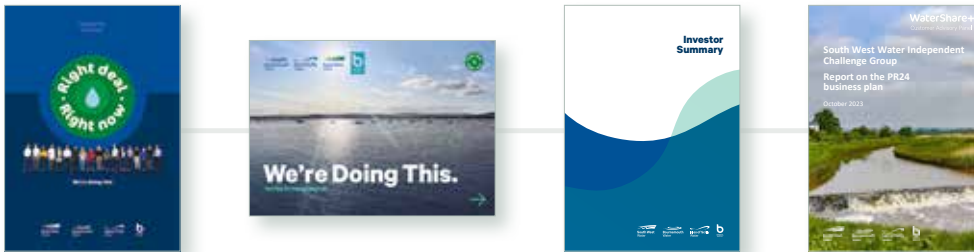
- 1.** Main documents which provide a central overview of our plan, summaries for customers, investors and the WaterShare+ Customer Advisory Panel's report on our proposals
- 2.** Spotlight documents providing detail on our four strategic priorities
- 3.** Documents which set out evidence against the quality and ambition tests
- 4.** Supporting documents and data table commentaries
- 5.** Our longer term strategic plans.

In developing our plans, we have gathered an extensive base of research and evidence to inform our views. This evidence base summarised within this document and is available upon request.

Document map

The primary documents within our submission are illustrated below, all of which are hosted on our customer facing website (with the exception of enhancement business cases) and can be accessed by clicking the links embedded in the images.

Level 1 • Main documents



Level 2 • Our strategic priorities



Level 3 • Evidence against quality tests



Level 4 • Supporting documents and data table commentaries



Strategic plans to 2050



Business plan supporting documents

To ensure that our plans are efficient, evidenced and supported by our customers and the communities we serve, we have worked with industry experts to develop our proposals. Key information is referenced within our submission documents and detailed below.

Full copies are available on request.

Area	Title
Addressing Affordability and delivery for customers	Customer Care Strategy
Engagement and Affordability	Frontier Economics assurance report
Engagement and Affordability	Frontier Economics customer research synthesis
Engagement and Affordability	Willingness to pay academic peer review
Engagement and Affordability	Segmentation strategy
Engagement and Affordability	Progressive charging and research strategy
Engagement and Affordability	AAT research
Outcomes	Supporting Excel file: Annex 2 – Regression results leakage base vs enhancement impact
Outcomes	ICS 230908 South West Water PR24 Triangulation & Valuation V1.0
Outcomes	ICS 230908 South West Water PR24 Triangulation ANNEXES V1.0
Outcomes	eftec (April 2022) Ofwat ODI Research Peer Review – Synthesis Report
Outcomes	Bristol Water (January 2022) How could we simplify ODI rate setting?
Outcomes	CUSTOMER RESEARCH: ICS (September 2023) Outcome Delivery Incentive research - Informing top-down incentives for PR24
Outcomes	CUSTOMER RESEARCH: ICS (April 2023) Performance Commitments and Outcome Delivery Incentives: Customer Research
Outcomes	Supporting excel file: Excel tool_what base buys_PCs_updated_22-23 version_11.09.2023
Outcomes	ICS ODI rates report
Outcomes	230925 SWEW ODIs comparison of SWW and Ofwat MB values V1.0
Outcomes	Bristol-Water-A-simplified-approach-to-setting-ODI-finaldraft
Outcomes	Ofwat-ODI-Research-Peer-Review-Eftec-report
Outcomes	Oxera_What Base Buys_PCs-proposed methodology
Outcomes	SBB ODI rates report v1.0
Outcomes	SBB ODI survey report V2.0 Final_web ready
Outcomes	SBB Performance Commitment and Outcome Delivery Incentive Engagement V1.1_web ready
Risk & Return	20230920 - PC & ODI Risk Model (Oxera) Updated - Ofwat basis (Corrected)

Area	Title
Risk & Return	20230920 - PC & ODI Risk Model (Oxera) Updated - SWW basis + SWW ODI + Correlations (Corrected)
Risk & Return	20230921 - PC & ODI Risk Model (Oxera) Updated - Ofwat basis + Correlations (Corrected)
Risk & Return	20230921 - PC & ODI Risk Model (Oxera) Updated - SWW basis + SWW ODI + Protections + Correlations (Corrected)
Risk & Return	Annex 2 – Regression results leakage base vs enhancement impact
Risk & Return	BRL and SWW_PIBE_final
Risk & Return	Cost of capital for PR24 25.08.2023
Risk & Return	Excel tool_what base buys_PCs_updated_22-23 version_11.09.2023
Risk & Return	Exploring Multi-factor Models as a cross-check on allowed returns at PR24
Risk & Return	Financing water industry investment (final)
Risk & Return	Frontier Economics Notional Gearing report
Risk & Return	Initial commentary on the Balance Sheet Cost of Debt Model and implications for the cost of embedded debt FINAL
Risk & Return	KPMG Multifactor Models for Water UK_20221101_CLEAN
Risk & Return	ODI Risk Analysis (Oxera full note) 290923 final
Risk & Return	Oxera Risk Free Rate report
Risk & Return	Oxera_What Base Buys_PCs-proposed methodology_final
Risk & Return	Relative risk analysis and beta estimation for PR24 FINAL
Risk & Return	SBB ODI survey report V2.0 Final
Risk & Return	Use of Market-to-asset ratios as a cross-check in the context of regulatory price controls
Strategic Plans to 2050	Biodiversity Strategy
Cost & Efficiency	Cost adjustment claim Annex supporting files
Cost & Efficiency	Economic Insight: Productivity and frontier shift at PR24
Cost & Efficiency	First Economics: PR24 Input price inflation
Cost & Efficiency	KPMG: Real price effects at PR24
Cost & Efficiency	SWW base econometric model consultation response
Cost & Efficiency	Enhancement Business Case – Cost Assurance

Customer research reports

In developing our plans we have sought the views of our customers and stakeholders, delivered by experts in market research, customer engagement and the water sector.

Our approach is detailed in the Level 3 document *What we have heard from customers and communities*, with the studies summarised in the document's appendix.

Full copies of the below reports are available on request.

Title	Purpose
Affordability - annual tracker	Each quarter we track attitudes and levels of affordability SWB
Vulnerability / PSR customers - annual tracker	Each quarter we track vulnerable customer satisfaction and how we can best meet their needs SWB
Satisfaction, service, performance, value for money - annual tracker	Each quarter we track our overall performance and satisfaction SWB
Annual satisfaction surveys	Each quarter we track our overall performance and satisfaction BRL
Environmental leadership	To understand overarching priorities for environmental improvements
Developing future long-term strategies	Testing long-term strategies
River water quality	To understand how media attention and what customers want us to do
Sentiment tracking	To track sentiment of SWW and other water companies over time
WaterFit priorities	To test our WaterFit plans to make sure it focused on what matters most
Priorities research	Understand PR24 priorities and household and business customer appetite for change and bill impacts
Future ambition testing	Testing future ambitions with customers to inform the 'Strategic Direction to 2050' document and the LTDS
Youth Board - future customers	Understand PR24 priorities from younger customers
Retailers priorities	Understand PR24 priorities
Water quality perception	Understand < 30 year olds' views on water in BRL region, based on customer feedback
Visitor survey - Post Covid impacts	Understand views and priorities of visitors
Visitor survey - behaviours	Understand how visitors behave when on holiday
Main stage study - SWB	Update main stage research from PR19
Main stage study - BRL	Add BRL into the WTP programme
WRMP second stage WTP - WCWRG deliberative phase	Update valuation evidence around drought and water resources
Drought and water resources second stage WTP - WCWRG quant (pre-drought)	Update valuation evidence around drought and water resources
Drought and water resources second stage WTP - SWW quant (post-drought)	Update valuation evidence around drought and water resources

Title	Purpose
Storm overflows and pollution second stage WTP	Update valuation evidence around spills and pollution, split by rivers and coast
Drinking water / clean water second stage WTP - testing and update of PR19 research	Update valuation evidence
Flooding and drainage/SUDS second stage WTP - testing and update of PR19 research	Update valuation evidence
Ofwat centralised ODI research - following mandated approach	Ofwat mandated research - additional validation point
Overall WTP playback and triangulation	Test robustness and applicability of our values
Top down incentive research	Additional data point around assessing the value of services for incentive setting - SBB and National
DWMP - preferences and testing	Develop plan based on views
WINEP - priorities and testing	Develop plan based on views
WRMP - metering and alternative supply options (compulsory metering BW)	Develop plan based on views
WRMP - non-household need and options	Develop plan based on views
WRMP - Views on desalination versus other options	Develop plan based on views
WRMP - drought management (testing BRL plan)	Develop plan based on views
WRMP - testing water efficiency messaging	Develop plan based on views
Smarter healthier homes (lead, water efficiency, metering, charging)	Develop plan based on views
Net zero	Develop plan based on views
Post event research - survey on TUBs and Stop the Drop	Understand the impact of events on customers
Post event survey - survey on cold snap 2022	Understand the impact of events on customers
Your Water Your Say - first meeting	Ofwat mandated event
AAT - Ofwat methodology - Deliberative	Test the plan
AAT - Ofwat methodology - survey	Test the plan
WaterShare+ customer testing event	Session ran on behalf of WS+ to test views of customers, to explore findings of AAT
LTDS pace of investment	Testing investment plan options in the context of pace of delivery of longer term plans
Isles of Scilly testing	Test plan meets their needs
Social tariff research SWW	To understand appetite to support social tariffs
Social tariff research BRL and BW (testing with Wessex)	To understand appetite to support social tariffs
Understanding behaviours - water efficiency co-creation workshops	Support delivery of our plans and strategies, recognising customers have a role

Title	Purpose
Understanding behaviours - sewer misuse	Support delivery of our plans and strategies, recognising customers have a role
Understanding behaviours - Save Every Drop	Support delivery of our plans and strategies, recognising customers have a role
Outcomes framework	Understand what outcomes and performance commitments are needed to reflect local factors
Outcomes framework	Developing incentive ranges based on customer top-down views
Additional acceptability testing (AAT methodology)	Testing final plan post changes requested by regulators (SWW)
Additional acceptability testing (PR19 methodology)	Testing final plan post changes requested by regulators (SWW)
Additional acceptability testing (PR19 methodology)	In depth discussions with customers to obtain feedback on proposed plan (all regions)