Exmouth Community Engagement Session

Frequently Asked Questions

January 2024



Background: The purpose of this document is to cover the frequently asked questions following the burst rising sewer main in Exmouth, during December 2023.



Q: What plans do South West Water have to alleviate the tankering of Sludge to Exmouth? Will a new treatment works be built elsewhere in Devon?

We bring sludge into Maer Lane so that it can be processed at the Sludge Treatment plant. There are no plans to further upgrade the sludge treatment centre at Maer Lane; the lime treatment process was improved with the installation of a Q press in 2020. We do not currently have plans to introduce sludge treatment elsewhere in the area and Maer Lane continues to be one of our important centres for the enhanced treatment of sewage sludge, which means that we will continue to tanker sludge to the site. The treatment of sewage sludge is critical in our operations, and we always endeavour to use the most logistically economical site to reduce our carbon footprint.

We have 28 sludge centres across the region and these serve many other local, smaller treatment works. It therefore makes sense to have the sludge treatment centres located at our larger treatment works and population centres so that the sludges generated from these sites are treated on site without the need to tanker much larger volumes of sludge away for treatment elsewhere.

Q: How is South West Water managing the increase in demand from new housing developments and what powers do you have to control this demand? Has house building in Exmouth contributed to the present issues in the area?

We factor into our planning the new housing developments and their impact on water resources. We also consider the long-term impact of population growth and housing developments through our water resources plans.

However, we are not a statutory consultee on new developments, so we have no right to object. South West Water is also legally required to accept wastewater from new developments. We would like to see changes to the law that would remove this automatic right to connect, as well as to see policy change that would make it far more necessary for developers to put in more comprehensive SUDS systems. This way we can start to reduce the loads on our system by taking the storm water out rather than combining it with foul water.

Although we are not a statutory consultee, we review 30,000 planning applications each year. If we consider them likely to affect our assets, we load the data into a modelling tool which will enable us to identify any issues, for example if there is not enough capacity.

Our Developer Services team then liaises with Asset Management to decide what investment is needed and what the timing for this is. We can request a time clause to ensure we can get the work done in time.

By 2030 we will have delivered a step change in the water and wastewater services right across the South West of England. We will also have additional water sources equivalent to serving three cities the size of Exeter – so that everyone can be confident that there will be enough water for everyone, even as the climate continues to change.



We have spent c.£13billion over the last 30 years modernising the networks we now operate. Our plans to 2030 are part of our long-term ambition – as we continue our journey to tackle all storm overflows, to recover nature, to be lead free across homes, and as we to continue to build resilience to the uncertain impacts of climate change and population growth and continue to decarbonise all aspects of our operations and services.

You can read more about our long term delivery strategy here: https://www.southwestwater.co.uk/about-us/business-planning/business-plan-2025-30

Q: Why did you omit the tankering route through Douglas Avenue and Maer Road, as well as the outflows at Imperial SPS.

We know that tankering is loud, unpleasant, and disruptive. We are deeply sorry for the disruption that tankering has caused in and around Exmouth. Below is an amended map, we are sorry this wasn't shown at the time, it wasn't intentional.

For clarity: the green hash line is the default route from Phear Park to Maer Lane. The orange route (Littleham) is the route we used due to flooding on Maer Lane. Once the flooding subsided, we returned to using the green route. After complaints about noise from Douglas Avenue we consulted with East Devon District Council and switched to the seafront route (in yellow).

We did not include the Pumping Station for Imperial Road in this drawing as it was not impacted by the events at Phear Park.





Q: How are you letting the public know about potentially unsafe bathing water?

We want our customers to feel confident about the water quality at their local beaches. We are serious about reducing the use of storm overflows. WaterFit Live provides up to date and practical information about bathing water quality, as well as our current and future investments in this area. The aspiration and commitment over the next two years is for WaterFit Live to become the single, go-to resource for customers and communities seeking information about storm overflows and beach investments. Starting initially with our bathing beaches and ultimately moving inland to rivers.

This live map would not have been possible ten years ago, however we have installed monitors at 100% of storm overflows a year ahead of plan. The beaches in the South West belong to those who live in the region and are loved by those who visit the South West, so we know it is imperative that we do better by them.

The Environment Agency notes that health risks from rivers and other open water locations that are not designated as bathing waters may be higher than at designated bathing waters. These waters are not monitored for bacteria which are used to assess bathing water quality. According to the EA, they can contain levels of sewage, faeces from livestock and pollution from farming or industry, which are harmless to wildlife but would not be acceptable in designated bathing waters. More information here: <u>Swim healthy - GOV.UK (www.gov.uk)</u>

Swimming at a location which is not designated is considered as 'wild swimming' and the guidance on the <u>www.outdoorswimmingsociety.com</u> and <u>www.wildswimming.co.uk/outdoor-swimming-society</u> websites should be followed.

Q: Will you begin monitoring year-round at Exmouth in real-time, given that people swim in the sea year-round?

Our proposal for a year-round water quality monitoring programme at a selected number of bathing waters is currently being developed. Exmouth is being included as a location in the development of this programme. It is important to note that we will be taking water samples from the bathing water, which will then need to be sent to a laboratory to be analysed. As these are microbiological samples it will take several days for the results to be determined and reported. So, this sampling is not happening in 'real time' in the sense that results of samples will not be instantaneously available. They will however give us insight into the quality of the monitored bathing waters across a whole year.



Q: Given that not everyone can access WaterFit live, will you look at physical signs?

We absolutely agree that we need a fully accessible solution for customers, we therefore offer WaterFit Live for those that are digitally able and also share the data that informs the WaterFit Live 'Amber' alert system with local authority and private Beach Controllers via our BeachLive system. Beach Controllers manage the regions bathing waters and can opt to receive this information from South West Water. These Beach Controllers are then able to use the BeachLive notifications to take local management actions, such as putting up temporary signage on beaches. It is not a statutory requirement for local authorities to receive BeachLive notifications or put up temporary signage, it is a choice. South West Water do not have a remit to put up physical signs on beaches.

Q: Can you add spill history and other data to WaterFit live?

You can find close to real-time information on where storm overflows have been active on the WaterFit Live map, available online <u>Bathing water quality | WaterFit Live | South West Water</u>. Our interactive beach map allows you to see if any of our storm overflows have been operating at your local beach to an extent that they may have temporarily affected bathing water. It does not identify impacts from any other sources, such as agricultural runoff (pesticides, fertilisers and animal slurry) and urban runoff (from roads carrying pollutants like oil, diesel and petrol). If you click on an individual beach pin you will get more information about that beach. This includes overflow locations, the status of individual overflows, the last time the monitoring system has been in operation or 'activated' and our investment commitments.

We also share the last 3 years historic spill data for bathing waters on WaterFit Live. This is the audited data that is submitted to the Environment Agency via our Annual Return. Individual companies are making their own decisions about the specific spill data they share. While there is no requirement under the Environment Act (2021) to provide historic storm water overflow performance data, we are providing information on the most recent EDM activation, along with the current near real-time information that is require under the Act. This is our current position.

Event Duration Monitors (EDMs) are installed on 100% of our overflows. They use sensors to measure the level of flow in our assets. These sensors trigger an alert to us when the level reaches the overflow point, indicating when the overflow is likely to be discharging. They measure the start and end time of any overflow operations. Our monitors are not able to measure the quality or volume of the flow being discharged. We are currently trialling a methodology to assess spill volume at a few beaches in the region. The monitors are sensitive and sometimes can play up. Small things like leaves, twigs or spider webs can trigger them, indicating that the overflow is in use when it isn't. Our team will go and check if the data indicates there might be an issue with a monitor. We then work hard to get it back into service as quickly as possible. For more information about storm overflows, what we're doing to reduce their impact and how you can help do your bit visit our main Storm Overflow webpage.



Our plan is for WaterFit Live to develop and evolve over time, our ambition is for WaterFit Live to become the single, go-to resource for customers and communities seeking information about storm overflows and our investment plans. This could potentially involve the integration of new data.

Q: What targets have you set to improve wastewater treatment?

In our South West Water 2025-2030 Business Plan we show how we plan to invest £2.8 billion in water quality and resilience. We are investing in the ongoing modernisation of our infrastructure and will be upgrading one third of our water treatment works.

We are completing the storm overflow investment programme in 15 years (up to 2040) – a full 10 years ahead of target. 100% of storm overflow solutions will be assessed using the principle of 'Green First' approach to investment, working with nature to improve drainage and reduce storm overflows.

Please see our PR24 business plan for more information: https://www.southwestwater.co.uk/siteassets/documents/about-us/business-plans/2025-30/business-plan-2025-30.pdf

South West Water is fully committed to playing its part in protecting our region's natural environment. We continue to reduce pollutions and target zero serious pollutions by 2025. We have significantly reduced pollution incidents across the region, with the number of overall incidents down by 30% year on year, the lowest for over 10 years and serious pollution incidents reduced by 75%.

Reducing the use of storm overflows is a priority. This is an important issue for us, our customers and communities, as is the health of our rivers and seas. We are reducing the use of storm overflows with strong investments across our network. We pledge to eliminate storm overflows at bathing and shellfish waters by 2030, a decade ahead of government mandates. Through our WaterFit programme we will reduce average spills per location to 20 per year by 2025, increasing capacity in our infrastructure across over 200 storm overflows.

We have already met our target of providing 100% monitor coverage on our storm overflows, by 2023

We also plan to reduce our own impact on river water quality by one third by 2025, targeting zero harm from our activities by 2030 and zero serious pollutions by 2025.



Q: How will you reach a 4-star EPA rating?

"We are delivering on our ambitious environmental improvement plans and are making progress towards sector-leading targets, but we know there is still much more to do and further improvements to make.

The EPA does not cover every aspect of environmental performance, and in particular for this region we are focused on making a step change and going further and faster in areas such as protecting bathing beaches and reducing the use of storm overflows – the things which matter most to customers.

With the largest area of coastline of any water company we achieved 100% bathing water quality for the first time in 2022 and 2023, up from just 28% in the 1990s. Over and above the 6 metrics in the EPA, we are also focused on another 33 environmental outcomes, all of which we work hard to balance – from delivering on our net zero plans to protecting water resources and enhancing biodiversity we are making the changes we all want to see.

Q: How, and by when, will you measure the volume of each spill?

Event Duration Monitors (EDMs) are installed on storm overflows. They use sensors to measure the level of flow in our assets. These sensors trigger an alert to us when the level reaches the overflow point, indicating when the overflow is likely to be discharging. They measure the start and end time of any overflow operations. Our monitors are not able to measure the quality or volume of the flow being discharged. As part of the next phase of WaterFit Live, which is currently being tested internally, we will begin sharing near real time activation data for all our storm overflows and we will also pilot an approach to estimating volumes for a small number of them at bathing waters. We will be using a methodology to estimate the volume and have selected locations where confidence in the model is high.

Q: Are your water quality samples independently verified?

Our team of qualified Environmental Monitoring Technicians send any water samples they collect to our UKAS accredited laboratory at Countess Wear, Exeter, where samples are analysed using standard, accredited procedures appropriate for the samples taken. In addition to SWWs own regulatory and operational monitoring the labs also support a wide range of both public, commercial and private analysis, and processes more than 2000 samples every day.

In addition, the Environment Agency carry out its own water quality sampling and analysis across the region's land, air and water environments. They routinely sample every one of the regions 151 bathing waters, throughout the bathing season and, under the Water Framework Directive, monitor the quality of waterbodies (rivers, stream and lakes) across the region for classification and regulatory reporting. The Environment Agency has its own laboratories for its monitoring programmes, often with regional specialist functionality (for example their laboratory at Starcross, near Exeter, undertakes all the national bathing water analysis).



Q: How do you justify your level of interest payments, dividends, and executive pay give your poor performance?

We know that many of our customers are unhappy with the services we provide so we are heavily investing to get back on track and to restore customer trust. Two-thirds of this £2.8 billion will come from our shareholders to whom we pay dividends, and one-third will come from rises in customer bills. By paying dividends to our shareholders, we encourage them to fund these investments so that we do not have to ask our customers to foot the bill. While dividends do come at a cost, and this comes from the business's revenue, it allows us to spread the cost of our business plan over time and achieve an overall lower burden on customers. Also, with recent rises in interest rates, using shareholder capital paid for by dividends is often less expensive than paying interest, and therefore allows us to keep bill rises lower than if we were to borrow to pay for these investments. While it may seem counterintuitive, dividends do not detract from our ability to invest in improving our wastewater services but instead improve it.

Our debt portfolio is highly diverse, with a relatively low level of index-linked debt compared to the industry average, allowing us to outperform and enabling us to reinvest this outperformance. Our efficient use of finance has meant we have an effective interest rate of 5.5% for 2022-23, barely higher than the current Bank of England base rate. Pennon Group's net finance costs for 2022-23 were £118.2 million, which is approximately £34 per customer for the year. Our gearing has also seen a year-on-year reduction, down to 60.8% - lower than the majority of other water companies in England and Wales. While we appreciate customer concern for our financial situation, we have a robust financial model that stands us in good stead to fulfil our ambitious 2025-30 business plan. For full details on our financial performance, you can find the Pennon 2023 Annual Report Online.

With regards to pay, we have always sought to take a responsible approach. The renumeration package for executives is conditional on the delivery of strict financial, customer, operational, and personal objectives, and is overseen by our independent board. While the water industry is not a natural competitive market, the market for talent is. This means that we must pay the market rate for staff, including at the most senior level. We are also proud that South West Water is an accredited living wage employer, and that our CEO to median employee pay ratio has fallen by 450% since 2019/20.

From 2025, our Independent Challenge Group, the WaterShare+ Group Panel, will scrutinise and review our executive pay and dividend policy. This will ensure that external voices and those of our customers are heard when pay levels and dividends are decided upon. As well as this, our executive renumeration policy aligns 70% of bonus pay with our four priorities so you can be confident that leadership will be striving to reach the improvements laid out in our plans for 2025-30.



Q: How will you restore the reputational damage to the area as a result of spills and poor bathing water quality?

We hope to make material improvements to services, with investments that will improve the quality of bathing water within the next twelve months. As well as this, our business plan for 2025-30 is a step change in the amount we are investing to improve out wastewater network. In addition, we intend to continue actively listening to the local community, including through engagement sessions where you can talk directly to senior leadership.

Q: How will you continue to engage with the local community?

As well as keeping customers up to date through our website, social media channels, and other traditional mediums, we are planning another community engagement session, this time in person planned for February 20th, at Exmouth Town Council offices from 2pm – 6pm. <u>Please register to attend once registrations open.</u>

