

# FOCUSED ON DELIVERING FOR OUR CUSTOMERS AND COMMUNITIES



**Ian Cain**  
Chief Executive Officer

“ I’m very proud of how we’ve performed, achieving 70% of our performance commitments and leading the industry in a number of key areas.



As I reflect on the past year, it’s clear the public and political pressure on water companies is intense and there is significant focus on how they adapt to better serve customers and the environment in the future.

With that backdrop in mind, I’m very proud of how we’ve performed, achieving c70% of our performance commitments and leading the industry in a number of key areas – in particular our water quality, our leakage reduction and continuing to build the resilience in our network.

**STRATEGIC REVIEW OUTCOME**

As we release our Annual Report, we do so off the back of completing a strategic review of the business which concluded with acquisition of the Company by Pennon Group plc at the start of 2024, which the CMA has now approved.

It’s clear Pennon has been impressed by our business, our performance and our people. It has ambitious plans for growth and wants us to be part of that vision for the future as we embrace the challenges the sector faces. It shares our aspirations for our customers and, over time, will create exciting opportunities for our people.

Understandably, strategic reviews can create uncertainty and I am personally thankful for the support of our Board throughout the process. At the heart of this new era for the Company is ensuring we continue to be industry-leading for our customers and the environment. It is clear our strong performance has demonstrated our value, as we proudly move into the Pennon Group.

**SUPPORTING OUR CUSTOMERS**

Continued levels of high inflation and the cost of living crisis continue to impact our day-to-day operations. This has posed a significant challenge for our customers and I’m all too aware of the impact necessary but tough decisions can have, such as the increase in our annual tariff for household and non-household customers.

Customers rightly expect us to deliver high standards of service and value for money. It was therefore extremely disappointing to experience a rare, severe, mains burst where a small number of customer homes in Gatton Park, Redhill, were flooded.

Our focus was unstinting and fully on looking after those customers impacted and our teams mobilised with commendable efficiency, working around the clock to address the situation head-on, offering steadfast support to our customers.

Our efforts not only mitigated the impact of the situation but also embodied the spirit of solidarity and empathy that defines our Company.

More broadly we continue to provide support for those customers who require extra care, with 2,800 more customers now receiving financial help from our water support programme and a 30% increase in customers now on our Priority Services Register.

**INDUSTRY LEADING PERFORMANCE**

I was delighted to see that for 2023 our water quality risk index score is likely to place us as the top-ranking company for water quality in the Drinking Water Inspectorate’s 2024 report.

We’ve maintained our industry leading leakage performance, reducing leakage by nearly 15% since 2020, by using our smart network technology and staying at or below the maximum allowed level of leakage every year since the target was first set back in 1999. I was pleased to see BBC South East feature our smart network technology for the first time. It was great to see the dedication of our teams and how they go the extra mile for our customers in action.



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We’ve also laid 6.2 kilometres of new water mains in the past year and progressed a number of key mains replacement schemes across our supply area. As a result, we’re on track to meet our target for the number of mains repairs in the remaining year of the Asset Management Plan (AMP).

We also completed an important mains replacement scheme on the busy A22 Godstone Road in Purley, directly benefitting 27,000 properties in the Purley area and vastly improving the resilience of the local water supply network. This means we’re nearing completion of a 15-year resilience programme we’ve been progressing since 2010. By 2025, every property across our region will be supplied by more than one treatment works. This was an outstanding achievement amidst an incredibly busy year.

In addition, achieving a third Biodiversity Benchmark Award from The Wildlife Trusts for enhancing and protecting the biodiversity at our Bough Beech site proved to be another standout success for us this year – alongside retaining the awards we already hold at our Elmer and Fetcham Springs sites. I’m proud we remain the only water company to currently hold the award. Furthermore, our vehicle fleet now comprises 43% electric and hybrid vehicles, with the aim to reach 100% by 2030.

We also continue to deliver our commitment to achieve zero serious pollutions, with no category 1 or 2 pollution incidents caused in over 16 years.







  
**£45m**

Programme of investment over a 15-year period from 2010 to 2025

**A22 MAINS REPLACEMENT**

Back in September 2023 we successfully completed crucial improvement works ahead of schedule, which required the closure of a section of the A22 Godstone Road in Purley.

The work involved digging a 300m trench through the centre of the road to lay the new water main pipe, an operation which required months of extensive prior planning and stakeholder engagement.

As part of our current Business Plan, we have pledged for 100% of properties in our supply area to be supplied by more than one treatment works by 2025, which will reduce the risk of supply failures and help move water from one area to another, more efficiently.

The completion of the works will directly benefit 27,000 properties in the Purley and surrounding areas and vastly improve the resilience of the local water supply network. The project formed part of a £45m programme of investment over a 15-year period from 2010 to 2025.



**£8,000**

Donated towards building a new wildlife centre for the Wildlife Aid Foundation

**OUR PARTNERSHIP WITH THE WILDLIFE AID FOUNDATION**

The Company has partnered with The Wildlife Aid Foundation (WAF), donating £8,000 towards building a new wildlife centre for the charity.

The Foundation, based in Leatherhead, is dedicated to the rescue, rehabilitation and release of British wildlife and deals with more than 20,000 wildlife-related incidents each year.

As part of SES Water's wider community partnership programme, it has chosen to work with WAF to help build a new centre, which will allow the charity to care for more animals, while also inspiring future generations about the role they can play in conserving British wildlife.

**THE LOOK AHEAD**

We submitted our most ambitious plan ever to Ofwat with our PR24 submission totalling an expenditure of £413m. It proposes an increase of £13m per year to reduce leakage, install smart meters for all customers, improve the resilience of our water treatment works and supply network to climate change, and protect and improve our local environment. We've considered a range of future scenarios for climate change, population growth, technology advancement and abstraction reduction, identifying the investment we need to make over the next five years and beyond. We're pleased to have spoken to so many customers across our communities about these plans and hear their feedback.

**CONNECTING WITH OUR COMMUNITIES**

We've established stronger connections and fostered deeper relationships with key stakeholders. This heightened engagement with our local MPs and local councillors is important for us as it reinforces our dedication to transparency, collaboration, and proactive involvement in local communities.

Building new partnerships and strengthening our relationships with local organisations has been another key priority for us this year and we have continued to play an active role in the communities we serve. The past year has seen us award more than £20,000 to three local charities and support 27 local community events, which has led to more than 1,100 conversations with customers. We've also welcomed more than 3,200 students and teachers

to our 'Flow Zone' education centre at Bough Beech reservoir, helping them to learn more about water and how they can use less and help protect the environment. I'm proud that we've opened up our visits to schools outside our supply area ensuring we educate our future customers, too.

As we look ahead, we do so with confidence that we remain industry leading in a number of key performance areas. Our ambitious PR24 plan will further help us deliver on our promises for our customers, as we embark on our new journey with the Pennon Group.

  
**Ian Cain**  
 Chief Executive Officer  
 10 July 2024