Summary report

Autumn Accountability Session with Severn Trent

As part of CCW's Water Voice programme, Accountability Sessions allow community members to challenge water company performance, question senior representatives and agree actions to enhance customer experiences and drive meaningful improvements.

Accountability Session | Thursday 12th November 2026
Report published: Monday 23rd November 2026

Community members challenged Severn Trent on outstanding commitments, executive bonuses, accessible billing and future water supplies. They wanted clearer evidence of improvements, greater accountability for delivery and reassurance that customer experiences influenced company decisions.

The Action Plan Review examined delayed commitments, disagreements over evidence of delivery and the impact on customer trust. The Performance Review questioned whether executive bonuses sufficiently reflected customer experiences, particularly when service performance was below expectations.

The Q&A covered the proposed £2 paper bill charge and preparations for summer 2027. Severn Trent confirmed that the charge would not be introduced and described measures to strengthen future supplies. A specific follow-up was also agreed concerning a repeatedly repaired leak.

Q1: Action Plan Review
Listening to customers and delivering on commitments

Members challenged the number of delayed commitments and the incorrect completion status of continuous flow alerts[1].

Severn Trent acknowledged weaknesses in the evidence provided to CCW and committed to providing monthly evidence packs, clearer website updates and Chief Executive accountability. Members wanted realistic delivery dates, resolution of outstanding commitments and evidence that improvements benefit customers.

Q2: Performance Review
Linking bonuses to customer outcomes

Members questioned whether executive bonuses were justified when customer service remained below expectations.

Severn Trent explained its incentive arrangements and acknowledged weaknesses in customer experience. Members sought greater transparency, clearer justification of payments and stronger customer experience weighting. The company agreed to check the clarity and accessibility of its published remuneration information.

Q&A Q3:
The proposed £2 paper bill charge

A member with a visual impairment challenged the proposed charge, explaining the importance of paper bills.

Severn Trent acknowledged that the plans for implementing a charge had been the wrong decision and confirmed it would not be introduced. The discussion also highlighted the need to improve awareness of the Priority Services Register.

Q&A Q4:
Protecting future water supplies

Members questioned preparations for summer 2027 and whether growing demand and infrastructure investment would affect household supplies or bills.

Severn Trent described existing improvements, including additional treatment capacity expected to be in place by next summer. The company also agreed to arrange a direct follow-up to resolve a repeatedly repaired leak.

What is the purpose of this report and what happens next?

This report records the discussion and actions raised by Water Voice community members during the Accountability Session with Severn Trent on 12th November 2026. The actions outlined reflect improvements that community members would like this company to make. These are community-led requests, and do not represent confirmed commitments from the company at this stage. The company will create a formal action plan by Tuesday 22nd December 2026, setting out its response to each action, what it intends to deliver and the proposed timescales – this plan is published by CCW.

CCW will monitor progress against the company's commitments and provide monthly updates, allowing our community to track changes and to continue to hold the company to account.

[1] ST16 – *Introduce online continuous flow alerts so customers can quickly identify possible leaks from unusual water use.*

Q1: Action Plan Review

Strengthening the company's existing actions

We are frustrated that commitments from the last Session are delayed, updates have lacked detail and an action previously 'Delivered' has since been un-delivered.

What will you do to get the large number of overdue and outstanding commitments delivered and rebuild our trust that you are listening to customers?

Context from the session:

Members questioned why numerous commitments remained delayed despite previously agreed deadlines. Severn Trent described improvements already made but advised that continuous flow alerts had never been delivered, despite previously being marked as complete. The company explained that its new Kraken billing system did not currently support the functionality.

Severn Trent also disputed some other delivery assessments, arguing that work had been completed but the evidence provided had not satisfied CCW's requirements. Members remained concerned that progress was difficult to verify and wanted Severn Trent to address outstanding commitments, agree realistic delivery dates and effectively demonstrate that improvements were making a difference to customers.

Regulatory and existing activity context

Seven commitments remain **Delayed - In Progress** in the latest action update. ST16[1] promised online continuous flow alerts, but Severn Trent confirmed this functionality had not been delivered.

Other disagreements concerned ST07[2], where the company said it had published local investment information but did not have county level performance targets and ST18[3], where it had chosen targeted support communications rather than including information in county newsletters.

Members wanted clearer distinctions between work completed, alternative approaches and outstanding commitments, supported by evidence that the original requests had been addressed.

Actions requested or developed during the discussion

1A. Deliver against outstanding commitments with realistic timescales

Address overdue and outstanding action plan commitments , including continuous flow alerts. Where an original commitment cannot currently be delivered, provide a clear account of:

- **What remains outstanding:** Which elements have not been completed and why.
- **Alternative arrangements:** What customers can use or receive in the meantime.
- **Realistic timescales:** When the outstanding work can reasonably be delivered, taking account of technical or operational constraints.

Members wanted confidence that commitments would actually be delivered, with achievable deadlines rather than dates that subsequently needed to be changed.

1B. Improve compliance with CCW on action delivery

Commit to full compliance with CCW's reporting process, providing appropriate evidence within the timeframe set to allow this to be effectively communicated to customers.

Members wanted disagreements about progress resolved earlier, ensuring the information shared with the community accurately reflects what has been achieved and what remains outstanding.

Requested actions continued overleaf...

[1] ST16 – *Introduce online continuous flow alerts so customers can quickly identify possible leaks from unusual water use.*
[2] ST07 – *Publish local investment information showing what is happening in each area, expected outcomes, success measures and whether targets have been met.*
[3] ST18 – *Provide clear information about financial assistance and Priority Services Register (PSR) support through targeted communications and county newsletters, helping customers access relevant support.*

Q1: Action Plan Review

Strengthening the company's existing actions

We are frustrated that commitments from the last Session are delayed, updates have lacked detail and an action previously 'Delivered' has since been un-delivered.

What will you do to get the large number of overdue and outstanding commitments delivered and rebuild our trust that you are listening to customers?

Requested actions continued...

1C. Make accountability for each commitment clear

Make clear who is accountable for delivering the commitments in the Action Plan.

The discussion explored assigning named individuals, potentially at board level, to make responsibility more visible. Members differed on whether individual names were essential, but wanted clear ownership of delivery rather than responsibility resting with an unspecified team.

The Chief Executive Officer subsequently offered to take personal accountability for all commitments.

1D. Demonstrate whether improvements are working

Provide evidence that changes introduced in response to customer concerns are delivering improvements to the customer experience.

Members wanted to understand the impact of new services and processes, not simply whether they had been introduced. For example, where changes have been made to customer contact or complaints handling, explain whether customers are receiving quicker responses or more effective resolution.

Company response and follow-up

The Chief Executive Officer acknowledged that the evidence Severn Trent had provided to CCW was not sufficiently clear to demonstrate delivery against the Action Plan. He accepted the need to improve this process and committed to providing **simplified monthly evidence packs**, allowing CCW to assess progress and identify where further information was required.

Severn Trent also committed to making Action Plan information available on its website, showing progress, outstanding commitments, reasons for delays, alternative arrangements and revised delivery dates where necessary. The Chief Executive Officer offered to take personal accountability for every action, explaining that individual commitments often involved several teams.

The company confirmed that continuous flow alerts remained unavailable through Kraken. It described existing internal monitoring and customer contact about possible leaks but did not agree a date for introducing the promised online functionality.

The company accepted the need to improve its action plan evidence and communication processes while maintaining that some commitments had been delivered more fully than CCW's assessments indicated. **Its formal response should therefore address both the overdue work and the evidence needed to demonstrate delivery.**

Q2: Performance Review

Challenging the company's performance and service delivery

> We feel that substantial salaries and bonuses are ok if they reflect positive customer experiences...
> How will you make sure that our experiences as customers form a more considerable proportion of how bonus payments are calculated?"

Context from the session:

Severn Trent explained that more than 80% of the Chief Executive Officer's potential remuneration was performance linked, with 60% of the annual bonus based on combined customer and environmental measures. The company described annual reviews of its incentive arrangements and the introduction of repeat customer contacts as a new measure.

Members welcomed some of the explanation but questioned how much weight direct customer experience carried, particularly where strong environmental performance might compensate for weaker customer service. Others challenged whether meeting fundamental service standards should attract bonuses at all.

The company acknowledged that customer experience, including C-MeX performance, required improvement but defended its established approach for weighting performance measures.

Regulatory and existing activity context

Ofwat's Customer Measure of Experience[4] (C-MeX) uses independently conducted customer surveys to assess service performance and determine regulatory financial incentives. This is separate from Severn Trent's own bonus framework, but is included within its incentive measures.

Ofwat's performance related executive pay prohibition rule[5] can prevent payments to directors on regulated water company boards when specified performance standards are triggered. Severn Trent explained that this had prevented performance related payments to its former Chief Executive and Chief Financial Officer, but that this prohibition did not automatically extend to other employees.

Severn Trent already publishes executive remuneration information in its annual report. Members wanted this information to be clearer and more accessible, alongside consideration of whether customer service should carry greater weight in bonus decisions.

Actions requested or developed during the discussion

2A. Make bonus calculations and payments clear and justifiable to customers

Provide straightforward customer facing information explaining how executive bonuses are calculated and why payments are considered justified, including:

- **Measures and weightings:** How much of these bonuses depend on customer experience, environmental performance and other measures.
- **Performance and payments:** How performance against these measures influences the amount awarded, particularly where customer service falls below expectations.
- **Changes to the framework:** What has changed following annual reviews and why.

Members suggested a simple visual breakdown, such as a pie chart, supported by clear explanations rather than relying on detailed annual report disclosures.

2B. Explain how executive bonuses are funded

Clarify the relationship between customer bill revenue, Severn Trent's wider company profits and the funding of executive bonuses.

Members wanted to better understand the company's explanation that bonuses are funded through non-regulated businesses within Severn Trent PLC, and how that arrangement relates to the revenue generated through customers' water bills.

Requested actions continued overleaf...

[4] Measures of experience 2025 - 2030 | Customer Measure of Experience (C-MeX) | Ofwat

[5] Remuneration and Governance Rules | Ofwat

Q2: Performance Review

Challenging the company's performance and service delivery

We feel that substantial salaries and bonuses are ok if they reflect positive customer experiences...

How will you make sure that our experiences as customers form a more considerable proportion of how bonus payments are calculated?"

Requested actions continued...

2C. Remove water quality as a bonus measure

A member argued that delivering safe drinking water is a fundamental service requirement and should not attract additional remuneration simply for meeting basic legal standards.

2D. Give customer experience greater weight in bonus decisions

Review the weighting given to customer experience in bonus calculations, with members seeking a stronger connection between payments and the service customers actually receive.

Explain how independently measured customer experience and the annual review of incentives influence bonus decisions, particularly where C-MeX or repeat contact performance identifies weaknesses.

Members wanted customer service to have a more substantial influence on payments, rather than the perceived possibility that strong performance in some areas might compensate for poorer performance in others - such as customer experience.

Company response and follow-up

Severn Trent explained that its annual report already includes a breakdown of executive bonus measures, including separate customer and environmental components, and details of payments against performance. The company **agreed to check that this information was clear and easily accessible to customers**.

The company also explained that its remuneration committee reviews incentive arrangements annually and highlighted the introduction of repeat customer contacts as a measure intended to improve customer service. It defended its balancing approach, arguing that different aspects of operational, environmental and customer performance all appropriately influenced remuneration.

The Chief Executive described profits generated by non-regulated businesses within the company's parent organisation, Severn Trent PLC, including green energy and operational services, as the source of executive bonus funding.

Severn Trent did not agree to increase customer experience weightings, remove water quality as a bonus measure or introduce a different remuneration framework. Its confirmed undertaking concerned the clarity of existing disclosures. **The remaining requests seek a response to whether the company will reconsider the balance and justification of bonus payments**, and improve the customer facing information available on these aspects of the business' operations.

Q&A: Q3

Further questions about the company's services and accountability

I have a visual impairment and find paper bills easier to understand. I'm not a Priority Services customer and have only heard of it because of Water Voice. Will you abandon the proposed £2 paper bill charge so customers who need one are not penalised, regardless of whether they are registered or not?

Context from the session:

A member explained that their visual impairment made paper bills easier to read and understand, but they had only become aware of the Priority Services Register through Water Voice.

The Chief Executive Officer acknowledged that the proposed £2 charge had been a mistake. Severn Trent had intended to encourage electronic billing, partly to reduce its environmental impact, but customer feedback had demonstrated the importance of retaining a paper option.

He confirmed that the company had changed its position and would not introduce the charge. The discussion also highlighted the need to improve awareness of the support available through the Priority Services Register.

Regulatory and existing activity context

The Equality Act 2010[6] requires service providers to make reasonable adjustments for disabled customers where applicable, including accessible information, and prevents them from charging for adjustments they are legally required to provide.

Severn Trent's decision to abandon the proposed charge was broader than an individual accessibility adjustment, applying to customers who want or need paper bills.

ST18[7] already covers improving information about Priority Services and financial support. The discussion reinforced the importance of ensuring customers are aware of this existing provision.

Action requested by community members

3A. Do not introduce the proposed £2 paper-bill charge

Confirm and maintain the decision not to introduce the £2 charge for paper bills.

This request was explicitly agreed during the session, with Severn Trent confirming that it had abandoned the proposal following customer feedback.

Company response and follow-up

The Chief Executive confirmed that Severn Trent would not introduce the proposed £2 paper bill charge. He acknowledged that the original proposal was wrong and explained that the company had changed its approach following customer feedback.

Severn Trent will continue encouraging electronic billing where appropriate, while retaining paper billing without the proposed charge.

The Chief Executive Officer also recognised the need to improve awareness of the Priority Services Register and offered assistance to the member who raised the question. This relates to existing support and communication commitments, rather than a new service agreed during the discussion.

The withdrawal of the charge was a clear company undertaking, requiring confirmation in the formal Action Plan response.

[6] Equality Act 2010 | Legislation.gov.uk

[7] See Slide 10 for a comprehensive overview of all referenced actions.

Q&A: Q4

Further questions about the company's services and accountability

What will you deliver before next summer to protect household water supplies, whilst ensuring that longer-term demand from new housing and data centres does not leave existing customers with poorer supplies or higher bills?

Context from the session:

Severn Trent described the pressures created by successive hot summers, including exceptionally high demand and explained how it had maintained supplies through different water sources, network flexibility and operational measures.

The company outlined work already underway to strengthen resilience, including leakage reduction, pipe replacement and additional treatment capacity expected by summer 2027.

Members sought reassurance about whether these improvements would be sufficient to protect supplies during future periods of extreme heat, particularly alongside growing demand from housing and data centres. They also questioned whether further investment would lead to higher customer bills.

The Chief Executive Officer acknowledged that adapting to climate change and increasing demand would require continued investment, with potential implications for future bills.

Regulatory and existing activity context

Severn Trent's existing Water Resources Management Plan addresses longer-term supply and demand pressures, including population growth, drought and climate change.

The company described ongoing infrastructure investment and operational improvements, including new treatment capacity in Nottinghamshire expected to provide an additional **90 million litres of water per day from summer 2027**. It explained that network flexibility would allow this additional supply to benefit customers beyond the immediate area.

These measures form part of the company's existing investment and water-resource planning rather than new commitments arising from the session.

Outcome from the discussion

Severn Trent outlined its existing plans to strengthen water supplies, including additional treatment capacity, leakage reduction and network improvements. The company also explained how it was preparing for future demand from housing and data centres, while acknowledging the potential impact of continued investment on customer bills.

No new commitments were agreed during this discussion.

Company response and follow-up

Severn Trent explained that recurring bursts and leaks help determine where it prioritises mains replacement, alongside pipe age and condition. It reported replacing approximately 400 kilometres of pipework over the previous 18 months.

The company also explained that data centres were not expected to create significant additional demand and outlined how new treatment capacity, leakage reduction and network improvements would help strengthen supply resilience.

During the discussion, a member raised a local leak that had required repeated repairs over approximately 18 months. The Chief Executive Officer acknowledged the issue and offered direct assistance, with the Operations Director agreeing to arrange a follow-up. Taylor McKenzie Research agreed to facilitate the exchange of contact details.

This individual matter will be followed up directly with the company, separately from the formal Accountability Session Action Plan.

[8] Water Resources Management Plan (WRMP24) | Severn Trent

Existing Action Overview

Existing Action	Action Statement
ST07	*Publish local investment information showing what is happening in each area, expected outcomes, success measures and whether targets have been met.*
ST16	*Introduce online continuous-flow alerts so customers can quickly identify possible leaks from unusual water use.*
ST18	*Provide clear information about financial assistance and Priority Services Register (PSR) support through targeted communications and county newsletters, helping customers access relevant support.*

Attendance list

James Jesic	Chief Executive Officer Severn Trent Water
Sarah Bradley	Head of Reward and HR Operations Severn Trent Water
Shane Anderson	Director of Strategy and Regulation Severn Trent Water
Steph Cawley	Director of Customer Operations Severn Trent Water
Joe Greenwood	Session Lead Facilitator Associate Director, Taylor McKenzie Research
Alison Austin	Session Chair Board Member, Consumer Council for Water
10 x Community Members	Water Voice Community Members Severn Trent Water Community

Session transcript

CCW Chair: Thank you for joining us. My name is Alison Austin and I am chairing tonight's discussion. I'm a non-exec on the Consumer Council for Water board, and I joined CCW in May, so I'm relatively new still to the organisation.

Tonight's session is part of our Water Voice programme, and the purpose of Water Voice is very simple but very important. It's about giving you, the customer, a stronger, much more direct voice in how your company, Severn Trent Water performs and it communicates and how it improves. This session is about accountability and it's an opportunity for you, the community members, to question senior leaders, including the Chief Executive, James Jesic, from Severn Trent Water, directly about the issues that matter most to you, what you believe needs to improve and what will change as a result of this discussion. What will you see as a difference? And that's the key thing.

It's not a complaints hearing and it's not a technical inquiry, please. It's a structured, customer-led conversation focused very much on accountability, learning and, above all, agreeing clear and practical actions that you as their customers can see real change.

The topics that we're going to cover tonight have not been chosen by Severn Trent Water. They've been shaped by you, the community members, through your pre-tasks, your briefing session, recently held, spotlight research and wider Water Voice discussions. And this is very much your agenda, nobody else's.

And if I could just set a clear tone at the outset. We need to be respectful but challenging in our discussion, and you, community members, should feel able to speak openly and honestly about your experiences, your lived experiences, as they say, and your expectations. Equally we would hope to expect clear and transparent responses from Severn Trent Water's senior team. These are very senior people within the organisation. They know their stuff. We expect them to be clear, precise and articulate.

When you're not speaking, if you could keep your microphone muted, it just avoids background noise and any playback for other people, and just to remind you that the session is being fully transcribed and the agreed outcomes will be published. Severn Trent Water is expected to publish an action plan responding to the commitments made this evening, and that transparency is a key part of what makes this Water Voice process really meaningful for all parties.

In terms of ground rules, we'll take one person at a time, we'll keep the contributions focused, and we'll concentrate on, above all, forward-looking actions, what will change, by when, how you, the customers, will know it's changed and who's responsible.

I'd like to briefly introduce those joining us this evening, and first our independent facilitator from Taylor McKenzie Research, who run this programme on our behalf, is Joe Greenwood who will guide the customer discussion and ensure that everyone has a chance to speak, all voices are heard.

And representing Severn Trent Water this evening, we've got senior representatives, of which the key person I'd like to just point out is James Jesic, CEO. Once again, I am going to say it. Thank you for being here, I know it's the early part of your evening, it's really important, we're really grateful you're here. I'm now going to hand over to Joe who's going to explain how the sessions are run, and he will run round so that we can introduce ourselves.

TMcK Facilitator: Thank you very much, thank you, Alison. Hello, folks, nice to see you all. I'll briefly explain a little bit about the session. Obviously, we're all in here under our first names and things, at least you guys are as community members.

As Alison alluded to, the session is going to be transcribed. We're going to refer to each other by our first names throughout the session tonight, and that's really for anonymity when it comes to you guys. We want to make sure that you feel confident and comfortable speaking in front of us and in front of the company tonight.

We're going to use first names only. We're going to publish a transcript after this, and you guys will have an opportunity to review that transcript once we do create it, before it goes to publication. So, if there is anything that you say tonight that you have in your head afterwards that you shouldn't have said and you want to remove that from the transcript, that's absolutely okay, we'll get that sorted for you as soon as possible.

Session transcript

The purpose of the transcript is purely for accuracy, and it is a published thing that other people are able to view, and it's really about reflecting the discussion and the actions that come off the back of it, rather than singling out anybody for saying anything in particular. But, as I say, if you do feel uncomfortable about anything you say tonight, please let us know once the transcript comes to you and we can get that removed.

There are three main parts to the session tonight. The first part, we're going to go over the existing action plan that we reviewed a couple of weeks ago, and you remember doing that with myself, and I think we had a really good discussion about that, so we're going to put our thoughts and concerns to the company on that, and we're going to get them to feedback and hopefully move towards some new actions that focus around that.

The second part is we're going to ask a new performance-related challenge question, and again we developed this a few weeks ago, you'll remember, and we will again give Severn Trent Water an opportunity to come back and talk to us about their thoughts on the question that we ask, and again we'll go away and we'll look at how we can create some actions for the sort of second third of the session.

Finally, then we're going to move on to a shorter Q&A question. We've got two Q&A questions tonight. They'll be a little bit quicker, slightly less action orientated, although we do still want to see some actions off the back of them, and it gives you guys an opportunity to ask Severn Trent Water some more open questions about that.

The way that the process will work is really similar for the first two sets of questions. The question will be asked. We'll then give Severn Trent Water the opportunity to respond to the question. They'll have about five minutes, although Alison will use her discretion if she wants to extend that a little bit further, depending on the answer that's given, and whether or not you guys are responding positively to it.

We'll then have a chat, myself and you guys as a little a group, and we'll basically talk about what was said, how you felt about the answer, did it answer your question, how do you feel about the actions that they're taking? Ultimately, we want to look at what you want them to do as a result of why you asked the question, and again, going back to those conversations that we had a few weeks ago now, bringing some of that into this at that point.

The second part will work exactly the same, so it's just literally going to be almost a repeat - question to ask, response, discussion. And the Q&A's a shorter version of that, so slightly less time spent on each of those questions but the same type of thing. There'll be an opportunity for Severn Trent Water to come back as well at the end of each of those sections and look at the actions we've created and just give their thoughts.

Does that all make sense? Hopefully, it does. It will make sense as we continue with it. Some smiles, the occasional nod, it's all good. I think to get started we'll do the most awkward part of the session, which is obviously introductions, and we'll go round the room really, really quickly, and I'll get everyone to introduce themselves, and I'll go to Severn Trent Water as well at the end of that so you guys get a few seconds for that too.

All I want to know from the community members, I want to know your first name, and I want to know where you live, so not too much information if that's all right? Community Member 1, I'm going to start with you, if that's okay?

Community Member 1: I'm Community Member 1. I'm from Birmingham.

Community Member 2: I'm Community Member 2 and I'm from a little village south of Shrewsbury.

Community Member 3: Hi, I'm Community Member 3 and I'm from Staffordshire.

Community Member 4: Hi, I'm Community Member 4, I'm from Nottingham.

Community Member 5: Hi, I'm Community Member 5 and I'm from Derby.

Community Member 6: Hi, my name is Community Member 6, I'm from Loughborough.

Community Member 7: I'm Community Member 7 and I'm from Ilkeston, which is Derbyshire.

Session transcript

Community Member 8: Hi, my name's Community Member 8 and I'm from Leicester.

Community Member 9: Hi, I'm Community Member 9 and I'm from North Staffs, Stoke-on-Trent.

TMcK Facilitator: And Community Member 10, I'll go to you finally for the community members. You're still on mute. I don't know if you're trying to speak to us. We'll come back; I'll get somebody to give you a hand there. We'll come back you. James, can I go to you next for your intro?

James Jesic: Absolutely. James Jesic, I'm the Chief Executive of Severn Trent Water, and I just want to thank all of you for coming on the call. I'm going to say, I'm a bit disappointed Community Member 10 can't tell us where he's from, because I do not recognise that bridge from anywhere in the Midlands, and I do know the Midlands quite well. So hopefully we'll find out where that is. Looks like San Francisco to me.

TMcK Facilitator: Thanks, James. Sarah, I'll go to you as well.

Sarah Bradley: Thank you and good evening, everybody. I'm Sarah Bradley. I'm the Head of Reward here at Severn Trent Water.

TMcK Facilitator: Thank you, Sarah, and we've got Shane as well.

Shane Anderson: Shane Anderson, I run Strategy and Regulation at Severn Trent Water.

TMcK Facilitator: Thank you, Shane, and Steph? Over to you as well.

Steph Cawley: Hi everyone, I'm Steph Cawley, I'm the Customer Operations Director.

TMcK Facilitator: Thank you, Steph. Community Member 10, can you hear me?

Community Member 10: Yeah, I'm back.

TMcK Facilitator: Brilliant, Community Member 10, if you could just introduce yourself, so your first name or how you want to be referred to, and where you live.

Community Member 10: Community Member 10 from Solihull.

TMcK Facilitator: Brilliant, thank you, folks. Alison, I'll hand back to you.

CCW Chair: Thank you very much indeed, everybody. We're going to get stuck in with our first question which looks back at all the commitments made by Severn Trent Water's action plan, and during the briefing session the community members were agreed that the progress on the overdue and the outstanding commitments needed further scrutiny. So, I'm going to invite Community Member 2, please, to ask the agreed question.

Community Member 2: We are frustrated that commitments from the last accountability session have been delayed. Updates have lacked detail and an action previously marked as delivered, introducing continuous flow alerts, has since been undelivered. This has undermined our confidence that the concerns raised at the last session are being taken seriously. We don't feel like the company is taking much interest in the views of the customers.

What will you do to get the large number of overdue and outstanding commitments delivered and rebuild our trust that you are listening to customers?

CCW Chair: Thank you very much indeed, Community Member 2, that's very helpful. I'm really going to pass the baton over to you, James. Officially there's five minutes to respond, but that's quite a short time, so I'm prepared to extend that for a couple of minutes afterwards. But the key thing is to please be as focused as you can in trying to respond to that question.

James Jesic: Thank you very much indeed, Alison, and thank you for the question, Community Member 2. I think first of all, absolutely we really do value the input from customers and take it absolutely seriously. All my colleagues on the call will assure you, I promise, that my number one priority in Severn Trent Water is delivering and improving the customer service, so we absolutely do take it seriously.

Now, following on from the last session, we did develop an action plan in response to the questions and challenges raised by the panel, and to be quite honest, I think we've actually made some decent progress amongst some of the actions and addressed many of the concerns that were raised. I don't think that's the case necessarily for all of them, but, for instance, we've done some new webpages that really outline investment and funding across the counties.

Session transcript

We're helping more customers with their bills, and we've got a new bill help hub page. We've adopted a real regional-based strategy. I want to be able to ensure that Community Member 1, for instance, if Community Member 1 doesn't mind me picking on him for a second, in Birmingham, knows exactly what's happening in Birmingham. Similarly, Community Member 2, I think you said you were south of Shrewsbury, in a village there. I want you to be able to be aware of the work that we're doing in those particular areas.

So, it's really, really important to us as a business that we get that across, and we've also brought in a new complex complaints team. I actually have the team sat around me in the office who basically make sure that we really own any particular issues. So, there's been loads of progress, I think.

One of the ones I do want to call out is, I think one of the actions was, well, I know one of the actions was really focused on how do we improve our response rate on things like WhatsApp, email and calls, and we've actually made some decent progress in that place, and when I spoke to you in March, we've managed to halve the response rate for WhatsApp and it's down to 45 minutes now. Still plenty of work to be done, but it's -

CCW Chair: James, it's great that you're talking about the things you've done, which are delivered, but the question really is asking you to focus on the things that haven't been done.

James Jesic: I understand that, Alison, I think what I'm covering off is where there's a perception we haven't done the actions. I think we actually have done some of those actions, and then I'm going to hand over to Shane to go into some details.

So, emails, we've halved the response rates on emails as well, it's down to two days, again more work to be done. And if you called Severn Trent Water back in March, you would have had to wait, on average, this is an average, eight minutes for us to answer the call. It's now down to three minutes. So, we are progressing things in the right way.

Now, in terms of the specifics, Shane can just cover some of the details of some of the actions where we still need to make some progress.

Shane Anderson: Thanks, James. I think there's a position where seven actions are not being delivered, based on the latest report I've seen from CCW, and James has just touched on Actions 13 and 14, which were the wait times on email and WhatsApp. Where I think we agree is two actions where we haven't delivered, and Community Member 2, you touched on one, which was continuous flow alerts. I can only apologise. That was a mistake it was marked as delivered, and the reason for that, we can't deliver it under our current billing system, which is Kraken. So, we had to migrate to a new customer billing platform, the old one was out of service, so we moved to Octopus Energy system called Kraken.

At the moment, we can't activate the service used to have where you can monitor for a continuous alert, which is if you have a smart meter, so a small proportion of our customers have a smart meter and we're rolling out more, you can see an alert if you have a leak on your side.

CCW Chair: Shane, I'm sorry, you've got tremendous reverberation where you're sitting. If you could just speak a bit slower, we could probably make out more of the valuable information you're imparting.

Shane Anderson: Did you hear anything I said?

CCW Chair: We can hear it. It's just it's a bit garbled because it's a noisy space that you're in.

Shane Anderson: I'm just going to open the door, so hopefully it will reduce the echo.

CCW Chair: Better, much better.

Shane Anderson: As I was saying, it should have never been marked as delivered then undelivered, and it was never delivered in the first place, and that's because we had to migrate our billing platform to a new system called Kraken. It doesn't have that functionality yet where a customer can log onto their account and see, if you have a smart meter, that you have leakage, a continuous flow.

It doesn't mean we're not doing anything. We can monitor it from our side, and we monitor it at three different levels, and if a customer has a leak, we'll send them letters, we'll call them, we'll email them. And we don't just do it once. We contact them repeated times to fix the problem, and then we do a leakage allowance, which means you don't then pay for it.

We still need to do the continuous flow, I can see you shaking your head but let me just finish on this one. There are other priorities for the Kraken system. At the moment, we are improving the customer journey, we're improving the bill and we're also enhancing cyber security. When you get a billing platform, you can't make lots of changes at once. There is a backlog of change that we want to make to this billing platform. That is on Action 16.

If I move on to Action 19, which was to have delivered the newsletter, and one of the asks was, "Could you include PSR, Priority Service Register information, and your affordability support information in the newsletter?"

We've engaged with our customers on this, and I guess it's an interesting thing. For those customers that want help, they don't necessarily want to hear about how we're spending our money, they just want to know where they can get help, whereas those customers, the vast majority of customers, they want to know how we're spending our money. So, we don't want to conflate the two. So, we've taken a conscious decision not to conflate the two. It doesn't mean we shouldn't be doing more to help expand the awareness of support. The latest data is that 57% of our customer base is aware of our support, so we need to do more on that 43%.

We've got partnerships with the Department of Work and Pensions, we've got partnerships with food banks, outreach programmes, we've got a new data share with energy companies where, if you're on a support programme with your energy company, you can be on support with us. We're going more targeted.

I guess the point is, we're not conflating how we spend our money with also overloading the information on affordability and vulnerability. They're the two where Actions 16 and 19, we haven't delivered and I agree with that.

If we then move on to Action 2 where CC Water's position is that we haven't delivered. We have created a website with about how the regulatory process shapes investment, and we tested it with 1,300 customers. So, 90% of customers said it was clear and two third said it provided the necessary information. Now, as a regulatory -

TMcK Facilitator: Sorry, Shane, can I just come in? I want to go back to the question. The discussion that we had on the night was very much focused on there's this list of actions that was agreed to by your side at the time, and an action plan was created, and it was really long and there was loads of stuff with dates beside them, and then we got to the point where we were looking to review that for this upcoming session, and most of the stuff that had a date next to it was undelivered at that point and it hadn't looked like it had been moved in that direction.

I think that's the key thing that the customers want to hear about, because it's great, the thing you're talking about all sound great -

James Jesic: If I may, Joe, I think what Shane's covering off is the fact that we think there has actually been quite a lot of good progress. We've not necessarily been able to do all of the actions, and if you just let Shane go through it, he'll be able to explain what we've done instead, which we think goes some way to address those customer concerns. That's what we're just trying to get across.

CCW Chair: I think you just need to be really, really tight and focused, because everything looked pretty grim on 30th September, and it seems that quite a bit has happened since then when it probably raised itself up into your levels. But was this really seriously being considered by your exec team?

James Jesic: I will come in there if I may, Alison. Absolutely it has been taken seriously. Our primary focus at Severn Trent Water is to make sure we deliver the best water and wastewater service for the people of the Midlands, and we take absolutely on board every comment that we get from any customer.

Session transcript

Now, we don't always get it right, but we are really focused on making sure things are better and that's exactly what we are trying to do. I think what we've found as we've gone through the actions is there's quite a lot of complexity with some of them. Some of them have not been able to be done directly because of software issues, which Shane's just covered, and we just want to make sure we give everybody the full picture, if we may.

CCW Chair: Yes, but I would simply say, if you knew about the fact that your new customer service system, Kraken, couldn't cope with those elements that were being done beforehand, could you not have mentioned that or deferred them? It's just your action plan; everything was for one date. You've put yourself under unbelievable pressure, which makes it look as if it hasn't actually been considered well in terms of a realistic project plan.

James Jesic: I'm not sure if that's fair, if I'm honest, Alison. If you just let Shane go through the final point -

CCW Chair: Okay, it's just on 30th September, the majority were not met. So, Shane, over to you.

Shane Anderson: Okay, so just continuing on then, I'll be quite precise. Action 7 was about publishing local information. That information was delivered. It is published. Where there's a disagreement is, I think, there's an ask to publish the targets. The problem is you don't have targets at a local region. I obviously cover regulations, so I do the engagement with Ofwat. Ofwat doesn't set a target for, say, internal sewer flooding per county.

So, what we have done, we've talked about the big investments, we've talked about the leakage that's happening in that region and we've talked about spills. That provides the bulk of information. But you can't talk about our performance going against targets, because you don't have those kinds of targets at the regional level. Instead, they're aggregated at a company level. We could of course allocate those targets across, but we don't operate in that way. We'd be creating another set of information which would just be confusing.

So, Action 7 has been delivered to the extent that you can deliver it. If you want targets at a sub-company level, well then you need to go through a process to create that and that doesn't exist.

And then the final one was – so James has covered off Actions 13, 14 – Action 18. We have provided -

TMcK Facilitator: Sorry, can I just jump in again. I don't want to spend the conversation just going through where we are with stuff that I think ultimately should have been delivered before tonight and [overtalking 00:22:32] -

Shane Anderson: I think, no but I think -

TMcK Facilitator: - and being engaged with, and I appreciate your point on it but yeah, Alison I don't know what your take on it is.

Shane Anderson: We have to be quite precise about what is being asked and what isn't. If I show you investments at a regional level, we have delivered that, but it's still being marked as not delivered, and so if the panel want to know why that's being marked as not delivered, we have to give the honest reason, which is you can't take a target level that's set as a company and allocate it to the region. It's not done that way. That's a fact.

CCW Chair: But, in the bottom line, this is your action plan.

James Jesic: I think our big learning from this, Alison and Joe and of course everybody else on the call, is that how we provided the evidence to CC Water, for whatever reason, didn't hit the right CC Water boxes. I think our big learning is that whilst we -

CCW Chair: Thank you, James.

James Jesic: - whilst we've progressed most of the actions and actually completed most of them by the specified date, there's clearly a bit of a misunderstanding between ourselves and CC Water, so we will take that learning on board.

Session transcript

CCW Chair: Thank you, James. Thank you for your honesty and candour in admitting that there's been a big learning step there, but I need to pass this now back to our community panel members for their response. So, we're just going to pause and come back to you and really, if Severn Trent Water could be quiet and just listen to the response, which will be the feedback from our community members. I'm going to hand back to Joe for this section.

TMcK Facilitator: Thank you very much. Community Member 2, you had your hand up at the start of some of that and I'm going to go to you again, because it was your question, and I suppose what I'm interested in is, I want to know how you feel about the answer first of all, and we can go from there.

Community Member 2: The reason I put my hand up was straightaway about the leakage allowance. Severn Trent Water say they give a leakage allowance. They don't tell you that they only give one leakage allowance per property, that the owner or the bill owner has the responsibility for.

I took over from my husband when he passed away two years ago. If I'd have realised then that I should have had a new account completely, I'd have been able to claim a leakage allowance which was going for 12 months and Severn Trent Water didn't tell me, I'm on a meter, didn't tell me that I was using an awful lot of water, and it was going for 12 months and I've had to find £400, at least, to cover that leakage.

TMcK Facilitator: I want to go back to the answer that they gave. I mean obviously you asked the question; it was your question overall. How do you feel about the answer that was given?

Community Member 2: I think they're fudging all the answers. They agreed to 30th September, and then suddenly everything's done by 30th October. How can, what is it, 15 sections suddenly appear done?

James Jesic: I think that comes back to my point, Community Member 2, if you bear with me a second, Joe, if I'm being honest -

TMcK Facilitator: We'll come back to you, James, at the end of this, if that's okay. We'll give you the opportunity to come back, and if you write down the questions that they ask, I think that'll be really helpful, and we'll give you the chance to respond to them, but I want them to have an opportunity to come back on what was said, if that's all right?

James Jesic: Sort of. I think it would be better to address it right now, but that's fine, Joe.

TMcK Facilitator: Thank you. Does anyone else want to come in on this? Community Member 3, can I bring you in on this? Do you have any thoughts about what was said, and I suppose, ultimately, what you want to happen, moving forward, as a result of what we talked about at the last session and the question that we asked?

Community Member 3: First of all, thank you for being here and speaking to us. We all really appreciate your time. I think if we are going to give grace and say that there is learning to be done in terms of how you communicate your target meeting with CCW, that really needs to be done as soon as possible, or else this becomes a very pointless exercise for all of us, for all three parties. So, I would like to know how yourself and CCW are going to make that connection work, because that's vital, or else, like I say, this all becomes very pointless.

TMcK Facilitator: Okay, brilliant. Community Member 6, on you go.

Community Member 6: Yeah, I think this is quite important. We want the view that our water supplier is reliable. This is not [inaudible 00:27:01] we can't switch it easily. That's the main thing.

TMcK Facilitator: How does that relate then to what you've heard here in relation to this?

Community Member 6: It's a good learning curve, then if you take it further, make sure that in the future all are being delivered, then we will feel that we are being paid the right attention, that our concern is properly addressed and that would be the outcome we want to see moving forward.

TMcK Facilitator: Anybody else want to come in on this? I'll go back to the question. We want to get your thoughts on the answer that you were given overall on this, and obviously the things that were frustrating for you guys as community members. How do you feel about the answer that was given and what do you want to see done differently this time, if that's what you want to see?

Session transcript

James Jesic: I think Community Member 3 nailed it on the head, to be honest, Joe, if I'm being honest. I think we need to make sure -

TMcK Facilitator: Sorry, James, I'm going to let Community Member 2 come in as well. She had her hand up. We will give you time to respond.

Community Member 2: Sorry for interrupting. All I was going to say is, what we need is for Severn Trent Water, when they are actually doing their planning, that they actually give realistic targets that they're going to achieve.

TMcK Facilitator: And how do you feel about that? Is it more about that it's not necessarily about the targets might be long in the future, if they're long that's okay, it's just about sticking to them and dates being agreed? Is it as simple as that? I mean I don't know. Does anyone else want to come in on this question?

CCW Chair: One thing that seems to be missing, whenever I used to write SMART Specific Measurable Achievable Relevant and Timebound targets in the past, is having somebody that is individually accountable to it. I don't know how you feel about having, rather than having Severn Trent Water delivering these, but individual board members at Severn Trent Water having their name against these so that they are identified with individuals. Is that something that might work in terms of accelerating progress or better communication of progress?

TMcK Facilitator: That's for you guys as a community as well to feed back on. Is that something that you would like to see as customers? As I said at the start, this is your opportunity to tell them what you want. Community Member 3, on you go, then Community Member 2, I'll come to you, but I do want to hear from some more people, if that's okay.

Community Member 3: I think if that will work, then great. I don't think for me that's particularly vital. I think that if it's done at an individual board member level and it helps get things done, that's fantastic. I just think that there may be a bit of a communication issue between ourselves and what we expect, given that everything on that action plan said it would basically be done on 30th, I think that's correct, Community Member 2, wasn't it?

Community Member 2: Yeah.

Community Member 3: And then you're saying yourselves, Severn Trent Water, James, Sarah, Shane, that lots of it was done, but without that evidence, which doesn't help us.

James Jesic: No, of course, agreed.

Community Member 3: And I'm not saying that's your fault, I'm not saying that's CCW's fault. It's just it's all well and good you saying that some things have been done. We didn't see that. We didn't see that at all.

James Jesic: Absolutely fair, Community Member 3. I agree with that completely.

TMcK Facilitator: Community Member 7, do you want to jump in?

Community Member 7: I was just agreeing really. I agree that I think that maybe an individual person, would that help, would it get things done better, maybe not an individual person but maybe like a board that would communicate maybe, because I think the communication is the big thing, isn't it? If they're saying things were done but then they haven't been documented, there's something amiss there, isn't there?

TMcK Facilitator: Yeah, absolutely, Community Member 7. And I think you had your hand up – oh, sorry, Community Member 9, I'll go to you first and then I can come back to you.

Community Member 9: I think it's really good, because I know I wasn't in on the first session back in March, but coming into the group in terms of with fresh eyes and looking at the action plan and wasn't what discussed until [inaudible 00:31:35], I think the main things there is, listening to this conversation now, is it's that quality of information. All it's showing to us is black and white that nothing's been done.

Clearly something's got to be done, but it's looking at, I think where it's breaking down and kind of seeping into other parts of the conversation maybe, is that it comes down to the trust. If the smaller things can't be transparent and progress can't be transparent, not if there's any fault there, just that maybe it's just the way that it's been communicated or not addressed. I think maybe if that can be overcome as a learning option, then it would just be easier, a little bit more

of a flow to be able to have the conversations and have a look at what is working and what hasn't been addressed.

I don't know, I'm just looking at it, trying to be a bit positive and hopeful, thinking that maybe it's not been a deliberate thing, and it's just been more of a reporting format or something maybe.

James Jesic: Can I ask a quick question for clarity; did you see the evidence [overtalking 00:32:40] -

TMcK Facilitator: Sorry, James, I really want to stick to the structure, if that's okay. You will get a chance to respond.

James Jesic: Fine. I just think it's a better conversation if we can just exchange, but that's fine.

CCW Chair: You will have your time, James, I promise you, but this section is for other people to think about and respond how they feel and what they've heard from you. I just want to say that this is the same process that we have run in exactly the same way for all the other water companies. This is now my seventh water company that I have done an accountability session for, not just the water companies that, as a non-exec, I'm responsible for on the CCW board, but also the three ad-hoc emergency ones I did across the summer.

The process was the same in that actions and commitments are generated during the accountability session, the water company goes away and creates an action plan which is submitted to CCW. So, the process is that the Action Plan Progress Tracker is against the action plan that the water company itself has submitted to CCW.

And, in the run-up to the next review session, the water company provides evidence against each of the commitments that it's made in its action plan, and if CCW deems those actions to be well evidenced and well supported, that is then entered into the resources available and the Action Plan Progress Tracker. If it's not and it's just hot air or it's just stuff they've heard before, it gets rejected, and that's why you see something as delayed or not delivered or not in progress.

So, James, it's not just this particular one. This is managed in exactly the same way as every other accountability session that I've personally been involved in and my fellow non-execs as well. This is why we have an independent third party in Taylor McKenzie to make sure that both sides and our community panels work well to a pre-agreed process. But if you can just hold on and write some notes for your -

James Jesic: Absolutely.

CCW Chair: - a bit later, we'll come back to the rest of the team at the panel to ask for their views.

TMcK Facilitator: Thank you, Alison. Community Member 2, you had your hand up on and off throughout this. Is there anything you want to add here?

Community Member 2: I was concurring with what Community Member 3 said, that everything needs to be upfront and we need to know exactly, and yes, you could have somebody that is responsible for each particular point that has been raised. At the end of the day, it comes back to the CEO that's got to respond to it.

TMcK Facilitator: Any other thoughts, comments, opinions on anything here? And it goes back to that point round about actions. What do you want to see done differently? Community Member 9, jump in.

Community Member 9: I think for me, I think it's really interesting this improvement's been made and they don't always work, because it's one of these things where you try. But I think what would be good is a sharing information. Maybe have a look at, you know, it's clear that there's plans and there's new processes maybe being put in place, but it's better to show that, if you can demonstrate maybe to see if it's made a difference to a customer's experience, maybe the result, so is the system working, like I'm sure they are, but maybe that would be better. But that's going to come with time maybe [overtalking 00:36:21] -

Session transcript

TMcK Facilitator: What kind of things, when you say that, Community Member 9, I think that's a really good point, what kind of things do you mean?

Community Member 9: Well, it's like looking at addressing the concerns that have been raised. Customer dissatisfaction, time calls, all the things that have been mentioned. The first thing would be to address them by putting something in place, but a plan to put something in place isn't a remedy. A demonstration of the results that is this working, or showing it is working or it's not working, this is what we're going to do, and I think that's more about having like a working group than an accountability session, kind of going back to what Community Member 3 was saying in terms of having someone accountable for each area. I hope that makes sense.

TMcK Facilitator: Absolutely does. Thank you. Community Member 3, you've also got your hand up again.

Community Member 3: The other thing I wanted to say is that while I'm not saying that I don't think Severn Trent Water have engaged, we need to see that that engagement is continual. And so, going forward, is there a possibility of, if CCW feel that the evidence provided on actions isn't up to their standard to say that it is good enough or to be in progress or completed, could there be an interaction of why or what Severn Trent Water is doing instead of or alternatively?

You've spoken there about Kraken not having the correct back-end development software there to be able to handle continual flow alerts. But to us, all we saw was an action delivered, not delivered. And I know that's the point of this session, but it maybe would have stopped some, not hostility, but confusion initially in this discussion and had some more profit there for both of us.

TMcK Facilitator: Community Member 3, good point thank you very much. We're going to share a few of the points. My people in the background have been writing down a few points as you've been speaking as customers, we want to run through those, but I want to give everyone an opportunity to say anything else they want to add at this point before we share those, and then we'll give James and the team a chance to come back.

CCW Chair: In the document, the Action Plan Progress Tracker that the community members have had, under "Use of resources", and separately a PowerPoint presentation was sent which is 25 pages, and I spent part of Monday and part of today looking at that. It was just really dense. I found it very hard to work my way through it, so I accept that there's quite a lot of evidence in that which CCW has looked at, but it was very difficult. I mean it almost broke every rule of PowerPoints which it's got so much information on each page, not easy to digest at all.

So, in terms of communication, I'm sure there is a better way of Severn Trent Water delivering information on how it's met its targets or the progress it's making. There must be a better way.

TMcK Facilitator: I'm going to get my colleague, Ryan, to share something on the screen, I'm having issues accessing the PowerPoint, so we're going to share what we've noted down up to this point, and once we've got that, we'll talk through a couple of the points.

We've noted down a few of the points that were mentioned by Severn Trent Water at the start of this. What we're looking for from you guys as you've been talking, and what we've been noting down, rather, as you've been talking, is the ideal actions you want to see off the back of the question that you asked.

I'll go through each of these, and what I want to get you guys to do is, you know, these are actions, community members, which are for you and for the water company that supplies your water, so it's important that we get these right, moving forward, from your perspective and then we will give Severn Trent Water an opportunity to come back and talk about a couple of them.

The first one we've got written down here is deliver overdue commitments and rebuild trust. Get the large number of overdue and outstanding commitments actually delivered, including the continuous flow alerts. Set realistic, achievable targets, so Point B, provide realistic targets that Severn Trent Water can actually achieve, rather than committing to dates they cannot meet. I think the key thing there was about, I think the suspicious thing from community members is around all of the dates basically being the same and all of a sudden undelivered, and then, at a later point, kind of added to from there.

Session transcript

Point C was around improving communication between Severn Trent Water and CCW. I think you know, as Alison alluded to, the process is exactly the same for all companies when it comes to providing information and keeping updated, and if other companies aren't providing evidence that shows a thing that was committed to, then it's the same situation. But it does sound as though there is an opportunity for Severn Trent Water to establish a better process for that overall and work with CCW on that.

Point D was around assigning individual, named people when it comes to people who are driving the accountability for each of the commitments in the action plan.

Point E was about not only putting plans and new processes in place to address customer concerns, but to also demonstrate the results, so what has happened off the back of that, Community Member 9, which was your point about bringing this to life a little bit, I suppose, for customers, and showing what's actually improved for the customer experience and evidence of that.

And then Point F was about feedback when evidence provided against the action plan commitments does not meet the required standards for being marked as "in progress" or "completed", so I think just making sure that it's really, really clear and there is feedback and communication going both ways.

I've read through these and it's probably boring to listen to me, but is there anything that we've missed here, anything that we've not got correct, anything that you'd want to change? Or are we happy with what we've got here, community members? And we will give the company a chance to respond to some of this. Anything we want to change or add to? I'm going to take the silence positively and I'm going to hand back to Alison.

CCW Chair: Thank you very much indeed. James, this is your point, but before we finalise any of this last section in "What would the ideal water company response look like?" and how you put together your action plan to meet them, this is your chance to get off your chest anything that you think is not feasible, to explain why, and there might be constraints, regulatory or financial, operational or legal. I mean things like your Kraken system, whether it can do it in the next year or not, those sorts of things are really good to be able to put out in the open. And please, it will be recorded, but it's part of your opportunity to respond to this. So, over to you.

James Jesic: Thank you very much indeed, Alison, and thank you very much to everybody for the comments, really helpful. I think what we've got wrong in this place, this time round, I think, if I'm being honest, is basically the evidence that we've submitted, clearly, we haven't got that right, and therefore there's quite a bit of backwards and forwards between ourselves and CC Water about whether things have been done or not.

So, I think to the point that Community Member 3 raised really, we need to make sure that we provide a very simplified update into CC Water to enable them to then confirm whether we've done it or not. I think ideally, if I'm being honest, you guys being able to see the data we submit might be helpful, but obviously that's CC Water's process and for them to decide really.

But we're going to do a monthly evidence pack and that will then allow CC Water the chance to feed back to us if it's not quite scratching the itch of providing the right, sufficient data in that particular example. So, we will definitely do that and I think that will cover off a lot of the things here.

In terms of the overdue commitments, I think Shane's gone through quite a lot of the detail, and what we're also going to do is we can put these actions up actually on our website in terms of what we're driving and where we are with things and what we're doing instead. We will do that and make a page available for any of you to go and have a look, and it'll show, where we can't do the action, what we're doing instead, and where perhaps there's been a delay for whatever reason, whether that's capabilities with Kraken or whatever else, that we'll be able to give an alternative date. We will happily do that.

In terms of the individual accountability, to be quite honest, I'm on the call as the chief exec of the company, so I'm on the call and ultimately, I'm accountable, so please feel free to put my name down against each and every action. The reason that it's hard to put an individual is that often these actions are quite complex and need a lot of different input. So put them down to me and I will make sure they're done, and I'll go through the actions with the team and make sure we're progressing these on a regular basis anyway.

I think for me those probably cover off the actions there. The big learning, as I say, is to make sure that the evidence that we submit really does demonstrate clearly enough. We haven't got that right and I think it was a learning process for us with CC Water in that space.

CCW Chair: Thank you, James. That's really honest of you, and of the seven that I've done, I'll be honest, I haven't had a CEO that's responded like that, and I take my hat off, I really do. I think that's great. Thank you very much.

James Jesic: Thank you, Alison.

CCW Chair: Please take it as a major compliment. Now we're going to move on to our next question, which is a new performance issue that the community members chose to challenge you on, and this again came about through the pre-task and the briefing session. And it's a difficult one, it's a controversial one, but it's important to the community. They wanted to talk about bonus payments being better constructed to better reflect customer experience. I'm going to invite Community Member 3 to ask this agreed question.

Community Member 3: Thank you, Alison. We do actually feel that salaries and bonuses aren't a bad thing and they are okay as long as they reflect positive customer experience. Currently, however, it is hard to see how these can be considered deserved given our experiences as a whole.

Bills have risen nearly 10% in 2026/2027, supply interruption targets have been missed, C-MeX scores sit below industry average, and as previously mentioned, the action that this community has asked to be delivered at the last accountability session, many have been delayed, evidence notwithstanding. We want to see customer experience accounting for a far more significant portion of any bonus payments made out, and we want this to be measured independently.

How will you make sure that our experiences as customers form a much more considerable proportion of how bonus payments are calculated?

CCW Chair: Thank you very much indeed, Community Member 3. James, in responding, and I think you may be bringing in one of your colleagues on this, the Head of Reward, could you be as specific as possible about what is already being done and what you're looking to improve and by when, and again to our community members, could you please listen carefully and make a note of what you feel might be unclear, incomplete or not strong enough. I'm converting the baton over to you, James.

James Jesic: Thank you very much indeed, Alison, and thank you for the question, Community Member 3. What I'm going to do, I'm going to hand over to Sarah in a moment, who will talk through how the current bonus system is structured, and then what I'd like to, if I can, Sarah will hand back to me and I will cover off some of the things that we're really focused on, Community Member 3, because, to be quite frank, some of the things you've called out in there, absolutely we are not good enough at, at the moment, and I will cover off some of the things that we're doing in that space. I'll hand over to Sarah first.

CCW Chair: We've got five minutes, six at the most, so time it between the two of you.

Sarah Bradley: Thank you, Alison, and thank you, Community Member 3 and community members for the question. I'm going to spend a few minutes explaining how executive pay works here at Severn Trent Water, and just to start with I would say I completely understand why it attracts such scrutiny, and Community Member 6, I think you made the point beautifully earlier, you can't choose your water company, and we deliver an essential service, so it's perfectly reasonable to expect that the people running the company are properly held accountable for the service that you, the customers, receive.

The first thing I would say is the majority of our executive pay is not guaranteed. For James, more than 80% of his pay is linked to performance and there's three main components of that. There's salary, as you said, there's an annual bonus, but there's also a longer-term incentive that measures performance over three years, and we think that that balance, it's deliberate, and it's done in that way because we want executive pay to be at risk. If performance is good, we think that the reward should match the performance. If the performance is weak, that should be reflected in executive pay outcomes.

Session transcript

So, to come to the nub of it, what are we actually rewarding? If I think about our annual bonus, 60% of that is on customer and environmental measures. Now it's a range of different things. It includes supply interruptions, CSOs[8], combined sewer overflow progress. It includes leakage, drinking water quality, a whole basket of customer and environmental measures, because those are the things that we think are really important to be focused on.

And when we think about the structure of that bonus, we review it every year. So, we're not complacent. We've not put something in place that is there for evermore. We look at our performance on a yearly basis with our remuneration committee, who are an independent board, and ask ourselves and challenge ourselves, are we putting our focus in the right way?

And an example where we've made some changes this year is we've implemented a new measure which is repeat contacts, and so we're frustrated with our performance in C-MeX, we're frustrated with how satisfied customers are, and therefore we want the organisation really focusing on the instances where our customer has to contact us more than once.

And I say organisation deliberately, because when I come to the bonus, it's not just for our executives. It runs entirely through the organisation, from top to bottom, so that every employee in Severn Trent Water, whether you're working on a treatment site, whether you're in a van, whether you're fixing a pipe, you are all focused on the measures that deliver the service we want to deliver for customers and the environment.

Now, the question I think you're getting to is how can someone receive a bonus if a customer has received poor service, and I think that's absolutely a fair challenge, as James said, and we know we have areas that we want to improve, and we're not pretending otherwise, which is why we keep adjusting and making changes to the structure of those incentives. But our approach is deliberately to look across a balanced scorecard, so if we over-indexed on any one of those things, we risk not putting focus on the other things that are really important to customers as well.

Most importantly, we don't just put numbers in a spreadsheet. If we've got the structure of our incentives, we don't just get to the end of the year and go, "How have we performed against each of the targets that have been set?" We then invite the remuneration committee to take a step back and assess our performance in the round, and they do that every year before assessing any pay.

The final thing I would say is there is actually in our mechanism where, in some instances, no executive pay is paid. You might have heard of Ofwat's performance-related pay rule, and indeed we complied with the prohibition last year for our CFO, our Chief Financial Officer and our former Chief Executive. In that instance performance was deemed not in line with the prohibition standard, so no performance-related pay was received.

The final point I will make before I give time to James is customers do not pay for executive bonuses. We totally understand that this is a really important issue and that there's a real strength of feeling on this. But we want our executives to be focused on the things that really make a difference for customers and the environment, so we believe it's important that they're pay reflects performance, but we are not funding it through customer bills. It is funded from our non-regulated business at a group level. I'll pass to James.

James Jesic: Thank you, Sarah. I've got 10 seconds now to take you all through the huge improvement plan.

Sarah Bradley: Sorry.

James Jesic: It's fine, it's fine, really good answer. Sarah has covered that off. I guess what I'd like to call out, so you mentioned supply interruptions, Community Member 3. Supply interruptions this year have actually, I mean you won't have seen the figures yet, but it is in a good really space. Steph will be coming on a little later, I'm sure she'll refer to that when she talks about the water supply resilience that we've had, so supply interruptions have improved. We hit the targets last year; we were better again this year.

[8] **CSO** – Combined Sewer Overflow

Session transcript

The area we do let ourselves down, if I'm being honest, Community Member 3, is on C-MeX, which is customer measure of experience, and the problem we've had as a business is most customers don't have to contact us because they, to be quite honest, get a good service each and every day, but when they do contact us, we're not always at our best.

Now this is a big focus area for me in the business, and it's not just about C-MeX, to be quite honest. It's all about how we make where something has gone wrong that we really do service those customers to the best of our ability, and that is about making sure we remove any failure in our process and we give that good level of service.

And the reason for that is, when we get that right, that will also make sure we are as efficient as possible, which is really good for us to make sure that we're running an efficient business, you guys are getting a much better customer service and ultimately to drive C-MeX, but my focus on customer centricity in the business is not really around C-MeX. That will follow. What it's about is genuinely, I want to be in a position, you guys cannot choose who your water company is, but I'd love you to all be in a place whereby you think, "You know what? I can't choose my water company, but if I could I'd still choose Severn Trent Water." That is genuinely our focus in the business and that's what I'm hoping you'll see over the coming years.

And what I'd also like to add very quickly. Community Member 2, you mentioned earlier about your leakages. If you want to contact us separately, we can have a bit of a look into your account and see what we can do to support you.

CCW Chair: Okay, I'm going to finish you at two. You got 15 minutes to answer the question. Is there anything more you want to add?

James Jesic: No, sorry, I thought you said 15 minutes. I was about to go off on a huge rampage then and take you all through our improvement plans, but I won't do that.

CCW Chair: Thank you for that, James. We're now going to pause and turn back to the community members. This part is about testing whether what you've heard actually answers the concern behind the question. And it's worth actually revisiting that question. Do you believe that customers form a considerable portion of how bonus payments are calculated? I'm going to turn to Joe to start the discussion.

TMcK Facilitator: Thank you. I've got a couple of hands up for this, and if you can keep them up, I want to go back to Community Member 3 on this if that's okay, Community Member 3, because it was obviously your question and something that you're quite passionate about when we were talking in the briefing. So, I want to get your thoughts on the answer that you've heard and anything that you think could have gone further.

Community Member 3: I think first of all just to say thank you for the accountability you demonstrated there at the end around saying that you can do better, particularly around C-MeX and that you aren't the best when customers call and there is a problem. I think anybody in any business knows that most people don't contact you when they're having a good service. They only contact you when there's a problem, but I guess that is when you need to be at your best, so thank you for acknowledging that.

I would like to say that you're putting, correct me if I'm wrong here, your putting environment and customer in the same category, and while they are intrinsically going to be linked, why are they in the same category? Why is that acceptable? Why can't they be different categories to sort of separate it out? I think part of the reason this question came about is the information we received was that the last bonus that was given out was 97% of what was available, Joe. I'm not sure if that was the number that we had on that PowerPoint?

TMcK Facilitator: I'm not sure if we've got it to hand, but it was close to that, for sure, Community Member 3.

Community Member 3: It was around that value. My apologies if that's not the case.

TMcK Facilitator: Sorry, Sarah, do you want to just clarify that before we keep talking, if there is a percentage? Just the percentage, if that's okay. I don't want to go into too much detail, sorry.

Sarah Bradley: No, that's fine. It would have been 98 but it was actually zero. I know that's technically more, but our performance would have warranted 98% but it was wiped out to zero because of the pay prohibition rule that came in.

Session transcript

TMcK Facilitator: So, the Ofwat [inaudible 00:58:28]?

Sarah Bradley: Yes.

TMcK Facilitator: Carry on, Community Member 3.

Community Member 3: Oh, okay, fair enough, and it's good to know that that sort of accountability is there. That's from the regulatory body that came in and said, "No, can't have it, done, done?"

TMcK Facilitator: Yes.

Community Member 3: Okay, that's good to know. I think I would like to know about why customer and environment is linked and can it be separate, and what percentage does that make up of where you're looking at? I think you are right in what you said that it needs to be balanced, because there isn't just one thing that needs to be looked at, but it would be good to know, as a pie chart, what it's made up of, if that makes sense.

TMcK Facilitator: It does, Community Member 3. You talked a little bit about this in terms of splitting things out more. Off the top of your head, are there particular sections that you want to see that contribute? You said about splitting out, how would that look for you?

Community Member 3: Well, I think it was more, my concern is that if you have customer and environment together, environmental targets are utterly vital and is one of the main reasons why I joined this group, is to look at the impact of environment, particularly when we're in the drought conditions that we have across the country, not just necessarily local to ourselves, and with climate change going forward, it is very important. But how much, if you are delivering completely on environment, does then the customer service matter then? Does that mean that you get that section of the bonus? Is it actually measurable and accountable to customers, or is it just, "Well we can ace this bit, we don't have to worry about that bit"?

TMcK Facilitator: Community Member 3, thank you so much. I've got a few hands up. Community Member 6, I'll go to you and then Community Member 4.

Community Member 6: Thanks, Sarah, for your explanation of the whole reward process, it's quite interesting to know. I just have two comments here. First, if I'm not wrong, you say that the bonus is 40% profit, 60% is a big mix of a lot of things. I'm just not so sure which one is closely related to customer service, so maybe an explanation on this point.

Second point is you mentioned that customer bills don't pay the bonus. But customer bills should be part of your main revenue, I think so, and revenue is part of the profit and profit goes back to the bonus. But I'm also interested to know, when you say that the non-regulated business actually pays the bonus, I'm just wondering, that non-regulated business, what actually they are. So maybe some clarification later. Okay, thank you.

TMcK Facilitator: Thank you so much, Community Member 6. I think it sounds as though from your perspective, there is bit around the transparency of just generally how this works. Is that fair to say? I know that was something that you talked about in the briefing. Is there anything you want to add there?

Community Member 6: That's right. I mean yeah, exactly know what it is, maybe in the big mix of the 60%, some of those which are closely related to customer, can it be higher a bit in terms of the percentage, for example?

TMcK Facilitator: Thank you so much, Community Member 6. Community Member 4, on you go.

Community Member 4: I just wanted to ask like a couple of questions about what they think the system should be, because you've already said that it turned out to be zero percent, the bonus and things like that, so firstly, do you think that that is justifiable? Do you think that that, I know that is what has happened, but do you agree that that is what should be happening?

And also, I think obviously a comment was made about the fact that we don't get to choose our water company, it's essentially a public service under private ownership, I think it's a whole strange system, and I know that's a completely different issue, but do you guys justifiably think that this is like morally a right way to be like paying for a service that we do not have a say over? Should we have CEOs that have massive bonuses, like do you genuinely think that that is a justifiable thing? Whether that is the way or not, do you genuinely believe that that is a moral way to go about it?

Session transcript

TMcK Facilitator: That's a good question, Community Member 4. We'll give some time when they come back in a few minutes or so, and they can come back on that.

CCW Chair: Can I raise a question for Sarah? When Ofwat prohibited performance pay for the CEO and CFO, did that also prohibit bonuses for everyone else in the organisation, or was it only for those two posts? It's a bit of a daft lassie question I'm afraid.

James Jesic: It was only those two.

CCW Chair: So, the two key roles in the organisation were prohibited bonus pay, but everyone else in the organisation, from top to bottom, got their bonuses?

James Jesic: Correct.

CCW Chair: With C-MeX at 11th out of 16 companies?

James Jesic: Yes.

CCW Chair: Not brilliant.

TMcK Facilitator: Thank you, Alison. Community Member 1, you had your hand up a minute ago and it's come back down again. Do you want to add anything?

Community Member 1: I was going to say, Sarah mentioned something about how the bonuses and performances related to whatever, and she said something like, I'm sure she said that water quality was one of those factors. Is that correct?

Sarah Bradley: Yes.

Community Member 1: Well, shouldn't water quality be the norm? Why should they pay a bonus to provide your customers with good quality water? Shouldn't that be the norm?

TMcK Facilitator: Okay, so it doesn't feel like that's really relevant from your perspective, Community Member 1, in terms of it being part of a bonus or a payment?

Community Member 1: Sorry?

TMcK Facilitator: That doesn't feel like it should be something that's included, from your perspective. Is that fair?

Community Member 1: Correct, yeah.

TMcK Facilitator: We'll note that and we'll come back to that in a minute. Community Member 2, you've been patiently waiting with your hand up. On you go.

Community Member 2: It's purely an overview. Why should you get paid a bonus for doing your actual job? In my job as a teacher, I didn't get paid any bonus for getting children through their A Levels or O Levels. I was paid a job. I was paid a salary to do a job. I didn't get any bonuses on top for doing a good job.

Community Member 1: Is that not in incentive, though? That's why people get paid bonuses. It's an incentive, is it not?

Community Member 2: But they're getting paid enough money to do their job.

Community Member 1: Yeah, but that's regardless. It's an incentive, though, isn't it?

Community Member 2: Well, no, your incentive should be that you are doing the job that you're paid to do. You shouldn't expect anything extra.

TMcK Facilitator: There's been a couple of comments like that, and we will let Severn Trent Water come back on those if they want to when we do review some actions. Community Member 4, I'll come to you in a second, but for everyone else in the room, we want to make sure that we're putting together some actions and things that you want. It is about what you want to see Severn Trent Water ideally commit to on these things or reject if they choose to, but we do want to have some action focus, and we've obviously got a lot of questions that we will let them come back on, but it's all about that from our perspective for the next couple of minutes. Community Member 4, you had your hand up, I'll let you jump in.

Session transcript

Community Member 4: No, I wanted to echo what Community Member 2 was saying. I'm a doctor and yeah, we don't get paid based on how well we do or anything like that. You go in and you do your job, and I ultimately think, once again I think it ultimately is a public service that they are providing and I don't think that we should have to incentivise them to do a good job.

TMcK Facilitator: We've got a couple more minutes on this point before we look at any actions on things. Does anybody want to add anything here, any comments, anything else? I know there's few people who haven't said too much just yet, so I do want to give you the opportunity to come in if you want to.

CCW Chair: I just wanted to go back to something that James said in his answer to the very first question, which is that he's absolutely committed to making customer service improvements the number one priority. And I wonder whether there is value in being more transparent about how they're shifting emphasis in the performance and bonus framework to everybody, top to bottom activity to improve that C-MeX and other customer service measures.

I just wonder if there is something about being transparent on the website to show the change, because Sarah said that their remuneration committee do actually alter things year on year, and that's really positive if we can see as customers that things are changing that way. But tell us about it and be really explicit maybe. Be very smart about it, you know.

TMcK Facilitator: Thank you, Alison. Community Member 7, you've got your hand up. I'll let you come in on this.

Community Member 7: Mine was just again about the change and the incentive thing. But the change, I agree with Alison that it needs to be documented somewhere so that you can see what change has been made or what progress has been made. And again, I agree, I'm self-employed and I have to work my butt off, I don't get no incentive for providing a good service. I have to provide that in order to earn any money, to get paid as such.

TMcK Facilitator: It's a good point, Community Member 7, thank you very much for raising it. Any other thoughts before we move on? I'm just checking to see where we're at in terms of the deck I want to share, but do we have any other comments on this before we keep going? No worries, okay, let's have a look at the things that we've written down so far, and once we've done that we'll give James and the team a chance to come back on that.

We've got four things, I think there's a fifth thing that is being added that I can see in the chat, but I'll add it as we speak through. The first one's around providing clear and transparent customer-facing info about the bonus structure and its components. What contributes to the bonus in a way that you guys can understand, and I know that we shared something during the briefing session that did that to a certain extent, but even on a simple pie chart we weren't sure what a lot of the stuff actually tangibly meant, so a bit more on that potentially.

Clarifying the relationship between customer bill, revenue – that one just tails off, but I think it is around bonus, and I think the way that that works, I think often what we hear is that it's not paid for by the company but it's paid for by a company that owns the company, and I don't think that feels necessarily particularly different to customers, but again maybe something we can come back on.

Remove water quality as a bonus metric as it is a baseline operational standard, Community Member 1, which I think was your point there.

Justifying bonuses to customers and I suppose why are bonuses being paid, which I think leads into the last point, which is one that we've touched on and I think one that came out of the discussions we had in the briefing session, which was tying bonuses much more closely to customer experience, and I expect there's a part of measuring customer experience independently that comes into that.

Community members, I want to make sure that we're covering what you want here. These are actions that are for you guys. Is there anything that we've missed, is there anything that you want to add? Community Member 3, again this was your question, something that you talked about a lot in the session, so I want to make sure that we've articulated these okay. I'll open up the floor before we move on. No? Okay, fine, no worries. Alison, I'll hand back to you.

Session transcript

CCW Chair: Right, well thank you very much for that. James and Sarah, this is your chance to come back really to highlight anything that you think's not feasible and to explain why. There might be again operational, regulatory, financial, other constraints, but it's your chance to respond back to this.

James Jesic: Thank you very much indeed, Alison. I'll start and I'll let Sarah add to my comments afterwards. First of all, we do already provide a lot of information in our annual report each and every year that details, very specifically, about how the bonus is made up for the executive directors. That means me as the Chief Exec, and the Chief Financial Officer, and how the bonus is paid out against those specific metrics.

What we will take away is a make sure that that is very clear. You can actually get to that on our website today, so if anybody wanted to go and look for it, it is available. But we will make sure, we'll double check that it's really clear.

I wanted to come back to, I'll let Sarah cover off the 60% of customer metrics and she can cover off some of the specifics in that. I just want to refer to Community Member 1's point around water quality. I think what we've seen actually as part of the conversation is the real trickiness in defining a set of measures that everybody is happy with. At the end of the day, whilst Community Member 1 - if you don't mind me putting words in your mouth, Community Member 1 – Community Member 1 says water quality should be the norm, there are other people who will absolutely say, "Well water quality's a priority and should be part of the bonus if you improve water quality."

I think Community Member 3 covered off environmental measures, and absolutely, environmental measures are important to some people, they're not important to other people, and we take a lot of our bonus metrics based on how Ofwat set up their target and targeted process, so that's where it comes from.

I do want to just answer Community Member 4's question around whether we believe it's moral that we get a bonus for performance. I think, if I'm being quite honest, at the end of the day, Severn Trent Water is a private company, and I think Community Member 1 made this point, in the world of private companies there are incentives in place for delivering service, and the customers of Severn Trent Water, whilst we don't always get it right and there's more to do, we genuinely are the highest-performing company in the sector.

Now, C-MeX is obviously a challenge for us and we absolutely want to get that right, and I've covered off some of the things that we're starting to focus on in that particular space, but we are the best company in the sector, and what you have in Severn Trent Water is a bunch of incredibly dedicated, committed individuals who are really driven to deliver their absolute best for customers.

And if you compare the performance of Severn Trent Water to other English water companies in the round, if you compare them to Welsh Water, who are what they call a mutual, therefore not for profit, if you compare Severn Trent Water to the other devolved nations, i.e. Scottish Water and Northern Irish Water, and even if you compare Severn Trent Water to many of the companies in Europe, we really are one of the standout performers across all of that particular area and in most instances our bills are lower.

And whether you like the corporate capital structure or not, the bonus structure has helped drive an efficient, good operating company, notwithstanding we think there's a lot more we can do and we will forever be trying to push more. And for us it's not just about how do we deliver brilliant water and wastewater services and top-drawer customer service, but also how do we really make a positive contribution to the Midlands? It's so important to us. So that's our big focus.

And just to cover off the other point about where the bonus comes from, the way Severn Trent Water is structured, and I'm talking about Severn Trent Water Plc, Public Limited Company, so that's the company that sits on the stock exchange, is actually made up of a group of companies.

Severn Trent Water is a big part of it, but we've then got what we call our non-regulated businesses, and I'm really conscious that's some of our jargon, if I'm being honest, but effectively it's not water companies. These are companies that generate green energy, that provide operational maintenance service to other sectors, that provide construction activity. That generates a lot of revenue and a lot of profit for the company. We take our profits out of the broader plc to pay the bonus structures. That's why customer bills don't necessarily pay that. I just wanted to make that clear.

Is there anything I've missed, Sarah, that you want to cover off? Perhaps some more of the customer environmental metrics piece?

Sarah Bradley: Yes, absolutely. Community Member 3, I know you raised the point around can we separate them out. In the pie chart in our annual report that James referenced, it is absolutely split out in there. What I would say is there is a section of our bonus that's linked to something called ODIs, Outcome Delivery Incentives.

This is an Ofwat set of measures that looks at 23 different areas, so included in that would be, C-MeX is one of the things in there, leakage, supply interruptions, etc, and these are the areas that Ofwat, in liaising with customers, thinks are the things that all water companies should be laser focused on. So that 60% is a blend, but from memory, and I don't have it right in front of me, 37% is specifically on customer measures. It is all broken down in our annual report, but we absolutely hear the request for greater transparency, so we will make sure that that's really easily accessed on our website.

CCW Chair: Thank you. Community Member 3, you've got your hand up.

Community Member 3: Sorry, I know this might not be the right time for a question, I just wanted to clarify, James, if you don't mind, you said that Severn Trent Water is one of the best-performing water companies, not just across Great Britain but across mainland Europe as well. Can I just clarify what metric that is? I apologise; it's probably a massive question. What is that metric [overtalking 01:18:07] -?

James Jesic: No, that's an absolutely fair question, Community Member 3. That's an absolutely fair question. We've looked at a number of things. We've looked at things like environmental performance, we've looked at leakage, we've looked at efficiency of the business.

The challenge that we do have, sorry, I'm getting a bit nerdy now, so if I get too nerdy, please reel me back in, because I get a bit carried away. I'm sure Alison will. If I get too nerdy, Alison, you wind me in. Right, so spills in England, and I'm not sure if you're all aware of this, every single combined sewer overflow system in England, you all hear about spills in rivers and that stuff, is monitored. Every single one, 100% of the time.

In Scotland, up until this year, only 3% were monitored, so whenever anyone looked at Scotland's performance, they'd go, "Well, there's a lot less spills in Scotland." Well, of course there was a lot less spills in Scotland. They weren't measuring them. If you look at Europe, the average number of CSOs monitored is only 8%. So, when you compare performance on something like spills, what you will always see is England is an outlier. It's only an outlier because we measure everything, and of course if you measure stuff, you find more.

What we've actually seen over the fullness of time is river quality in England has vastly improved since privatisation. I'm talking 80%, 90% reduction in things like ammonia and phosphorous levels in those particular rivers, and similarly, water quality has improved from, I can't remember the exact stats, something like a high 80% compliance rate to well over 99.95% compliance rate with the water quality standards. So there have been lots of demonstrable benefits delivered. If you look at water quality, England has got the best water quality, genuinely, in the world, and there are only seven countries that fit into that top bracket. England is one of them.

CCW Chair: I'm going to stop you there, James.

James Jesic: Sorry, Alison, I got a bit nerdy then, didn't I, apologies.

CCW Chair: No, I think that's fine, but I think there is a very clear theme coming through that a lot of what you do has emanated from your economic regulator, which is in a sense has driven Severn Trent Water to be a very profitable and efficient company, to feedback your words. I think the reason we're here tonight -

James Jesic: If that was the case, though, Alison, all companies would be really, really good in England and we know that's not the case.

CCW Chair: Okay, but I'm just saying that your activity is driven by your economic regulator. As you can imagine, Consumer Council for Water, by setting up Water Voice and trying to make this an effective and accountable process is to try and get consumer, the customer, people like these community members, who pay your bills, they are your customers, they are your primary purpose in life, to serve them in terms of water and drinking, and, as you said right back at the very beginning, customer service is your number one priority.

Session transcript

I think I just would like to see a rebalancing of your profitable and efficient organisation to recognising the role that customers play and the role that customers need to be probably given more attention in your bonus and your activities.

I find it bizarre that your CFO and you allow your bonus system to be enacted for everybody else when it's not for you because Ofwat have said no. I mean I think everybody should have a gateway bonus system which says, "If you don't meet C-MeX standards that are required of you, then no bonus is paid." I don't see why you and the CFO should be treated differently from middle managers, junior managers, and senior managers. Anyway, that's enough.

I just wanted to say thank you for your response on that. It is a tricky, it's a controversial subject, it's a sensitive subject, but greater accountability on what changes you're making throughout the organisation to better recognise the role of customers in your business to meet your commitment, James, I think can only be good. But please don't just give a link to somewhere deep within your annual report, because, with the best will in the world, the only people that read annual reports are investors, and we need things that are in plain English that consumers can access and want to access on your website. And I know you've given commitments to making more that's easily accessible, so I really applaud that.

We're going to now move into the final part of the session which is some Q&As with the company, and this is a bit quicker, a bit more nimble. There's no timer for this section, but I am going to keep you quite short and focused, as you can imagine. We're going to start with our first question from Community Member 8. Please go ahead.

Community Member 8: I have a visual impairment, and I find paper bills easier to understand, because sometimes I have to re-read again and again for myself to just take in and understand it. Will you abandon the proposed £2 paper bill charge for the customers who really need it?

James Jesic: Community Member 8, thank you for your question, and I'm going to be quite honest, we got this £2 thing wrong and I'm going to explain where it came from. We have had a big drive in the business, one of the things that we're really focused on is how do we also limit our impact on the environment, and we do lots in terms of environmental improvement, of course, we're trying to lower our carbon footprint.

And, as a result, we were trying to get more customers to move to electronic billing, and basically we thought, "How can we try and incentivise people? We will say to everyone, 'Right, we're going to move you to an electronic bill. If you can't have an electronic bill, we will give you a paper one, but we will charge.'"

And to be quite honest, Community Member 8, people like yourself who said, "Actually I need a bill," made us realise we got that completely wrong. So, we will still encourage everybody wherever they can to go for an electronic bill, but if somebody needs and desires a paper bill, as you do, we absolutely will keep providing that and we will not charge them £2, so we have decided to change our view on that based on feedback from customers. So, we got that wrong.

What I will also say is – do you know if you are on the Priority Services Register now?

Community Member 8: I wasn't before. I did not know about it, to be honest with you.

James Jesic: Are you on it now or not?

Community Member 8: Well, I discussed with my husband, I think he did say that we're going to try and get onto that.

James Jesic: Because it's ever so easy to do, but if you're struggling, get your husband to contact us and we can make sure you're put on the Priority Services Register for bills as well. Now we also recognise, and we've actually got an action on this, we do a lot to try and publicise the priority services register, but again there's more we need to do in that space so people like yourself are aware of the work that we need to do. We've got a plan to really just try and improve knowledge of the PSR, as we call it, priority services register, more broadly so people do know that if they do need additional support, it's there when it's needed.

Session transcript

CCW Chair: Thank you. That is an amazing response, James. That's really honest and that's tremendous. I'm really glad to hear that, because from the research that I was doing with CCW, you were the only water company that was doing that, and it seemed just to fly in the face of all that the other utilities, electricity, banks, council charge, all sorts of things are giving you options to go electronic in an effort to save paper and carbon footprint, I'm sure of that, and it may be more efficient.

But I would just put one other thought in. I'm an individual that has had to do a lot of government identification and solicitor identification for probate and deaths and all sorts of things and having my name on my water bill in a hard copy is the only thing that some people, some organisations would accept for identification.

So, it's really important that another factor for keeping the option for paper bills is for identification, because many of those bodies refuse to accept an electronic bank statement, an electronic electricity bill or an electronic water bill. So, there is another reason that you are a little important part of government ID, because while we don't have national identity cards, it's one of those things you have to use. So that's tremendous.

James Jesic: But isn't it mad, Alison, that some people will not accept it from a bank, electronic – but anyway, I agree completely. We got it wrong in this case and we've changed our policy.

CCW Chair: Community Member 8, thank you very much for raising that. I think it's been a really important question, and from the sound of it, you've made a real difference there, so my thanks to you. We're going to move on to the next question. The next question is from Community Member 9. This might be a bit longer, this one, James, I'm warning you.

Community Member 9: This question came about, I think, from the conversation around drought issues and economic impact and discussion around potential bills being raised because of historical investment in projects. And I think from this we were looking at the bigger picture and what further planned impacts could maybe raise the bills further. The question is, what will you deliver before potentially next summer to protect household water supplies, whilst ensuring that longer-term demand from either new housing or a new subject is data centres, does not leave existing customer with poorer supplies or higher bills?

CCW Chair: James, just before you start, can I ask not for too much long-term stuff, we're talking about next summer, because having had such a hot, dry summer, which was the hottest and driest for 100 years, we're going to have another one like that, certainly next year or the year after, so we're talking about shorter-term actions that you're taking.

James Jesic: Absolutely, Alison. I'm going to hand over to Steph, actually. Steph introduced herself at the start. Steph is our Operations Director and she will cover off some things that we've done already, and of course some of the shorter things that we've done and also cover off how we avoided a hosepipe ban in the summer, which a lot of companies didn't. Steph, over to you.

Steph Cawley: It's a brilliant question, thank you. We've had two record-breaking summers behind us. I don't know about you, but I'm feeling chilly when I go out at the moment, but it wasn't that long ago that we had five heatwaves across the summer. We had record-breaking demand. On some days we had to produce 400 million litres more than we do on a normal day, and James has worked that out actually that that's the equivalent of 2.5 million people arriving in the Midlands and requiring more water.

But we were super prepared. We've learnt lots over the last few years. We particularly learnt a lot from 2025, and we worked really, really hard during the summer to keep our assets running, but also to manage the peaks in demands and the demands in different parts of our patch. And just to give you an example, it's obviously really hot to be out working in the middle of the day in full PPE[9], and we gave our teams some choices, and some of them chose to start work at 4am, to come in and start finding and fixing leaks so they could still maintain the level of service when it was a bit cooler in the day, which we're really proud about.

In Severn Trent Water, we have the advantages of three different water sources. You'll see lots of pictures in the media of our reservoirs, well, reservoirs across the country looking pretty low. Only a third of our water comes from those reservoirs. Another third comes from rivers, also fairly low at some points in the summer, but the final third comes from underground aquifers.

[9] **PPE** – Personal Protective Equipment

Session transcript

So, we have choices during the summer to use different sources of water, and if I give East Staffordshire as an example, we have a beautiful reservoir at Tittesworth, and when that gets low, we actually stop extracting from that completely and use the groundwater sources. And that takes 12 months of balancing all of those different water resources to get it right.

We're totally not complacent, though. We always want to learn, and to the points in the question, we want to future proof as well for more people moving into the Midlands. James will talk to you about data centres, I'm sure, if you want to, but we want to be ready for that.

We're doing a number of things. Firstly, we're upgrading and modifying our network, and we do that all of the time to make it easier to move water around. Some of those improvements are really big things, so over the course of the next few years we're going to build a very big pipeline from Derbyshire to Staffordshire to move raw water. But we make small improvements all of the time to improve resilience. That might be a cross connection between two different pipes to make sure that if we have a problem in one area, we can use water from somewhere else.

Leakage is really, really critical. Every drop of water that we leak is water that we can't get to our customers when the demand is very high. We're finding and fixing more leaks than we ever have, and we're using new technology to do that. This five-year period, we're replacing more pipes in the ground than we ever have before, to prevent those from leaking, and as part of that initiative we're actually installing more smart meters, which means that customers have better data access to the water that they're using, but it also allows us and customers to identify any leaks that we have on private land, and about a third of our leaks are in that space, so that is really, really important.

And the final really big thing that we're doing is, over the last few years we've got a brand-new water treatment works, it's mega exciting, and next summer that will mean that we have an additional 90 million litres of water a day available to us to put into our network to move around.

CCW Chair: Steph, that new water treatment work, that's fabulous news, that will really help your capacity in real time, but which patch will that affect? Which customers?

Steph Cawley: That's really interesting, so it's in Nottinghamshire but we can move water around our network, so actually water that we produce in Nottingham can be moved south, down through the patch, so if customers further south need that, and that is a lot of what we do to make sure that we're balancing all of our treated water so that it's available when customers need it.

I know this wasn't the purpose of the question, but when you talked about future proofing, we look 50 years into the future. We have a Water Resource Management plan. We're continually trying to understand the demands on our services and what that will look like way into the future, and we've got options around that which we could talk about another time if that was helpful.

CCW Chair: I think the issue is, its next summer, so people's attention is really on your immediate plans. Can I ask, have you shifted or changed your operational activities to really address core issues and, if so, what?

Steph Cawley: Any specific core issues, Alison?

CCW Chair: Leakage, new infrastructure as well as new ways of repairing old stuff?

Steph Cawley: Yes, absolutely. We've delivered our leakage target for the last eight years; we're on track to deliver it again this year. We're driving it down to the lowest levels that it's ever been. Some of the things that we're doing is new technology to find leaks quicker. Some of that is satellite imagery, some of it is using fibre that's in the ground to detect leaks. We've got new technology to fix leaks both faster and more efficiently. We've got a product that we can put into the pipe that's food grade that means perhaps we don't have to dig up the roads, we don't have to disturb customers, we don't have to have road closures in place, which is much more efficient.

I think as well a really important point is we're really proud of our supply interruption performance. This summer we didn't have a single customer without water because of the heat, and that's something that we will continue to work on, we continue to learn, every single time we have a supply interruption event we will continually feed that into our teams.

CCW Chair: Thank you. Can I open it up to -

Session transcript

James Jesic: Can I just add one thing, Alison? Sorry, I'm going to go nerdy again if I may. Community Member 9 raised data centres, and this is really important I think, because data centres are obviously in the news a lot.

Now, did you all know, which I didn't know until recently, there are already 58 data centres across the Midlands, which is a really interesting point. Each of those data centres is what they call a closed-loop system. That means, I would put it akin to your fridge in your house. Your fridge is the best cooling system that you guys will all know, we all know, we've all got a fridge, we never top up the gas in that system, do we? It constantly keeps it cool. Those data centres work on a similar kind of format.

Now what we will always do, whenever a data centre application is put in, and I don't know of any big ones by the way, there are definitely ways and means for those data centres to be cooled without the need for a continuous supply of potable or drinkable water. We would push back very hard if that was the case, particularly if it's in an area where we're water stressed. So, data centres, I don't think, will be an issue going forward.

CCW Chair: Thank you for that. Can I open up to the rest of the community? Is there anybody that would like to follow up with that, with any further enquiries or questions or clarification points?

Community Member 9: Thank you for that and probably I'm a little bit more interested in this and I'm trying to not get too technical and nerdy myself, but it's more about realistically, when you've got a concern, especially with raising bills and cost of living, and a lot of the conversation has been around how we're having to support financially for certain infrastructure needed for historical things, and I think part of my question concern is where I was considering these things, will we be considering further hikes because of any of these future proofing or projects?

I know you probably can't say, but that was a concern because with you saying that you won't draw on water, for example, there are other options, it was just something I thought was good to highlight, because that's probably just what I'm aware of. But then if you start noticing that your bills are going up because it's an extra water source or quality needs to be treated and these kind of things, or even the infrastructure, so I just thought I'd mention it because it kind of comes under the bill part as well really.

James Jesic: I think that's a really valid point, Community Member 9, and to be quite honest the problem is we're seeing the impacts of climate change, and we're seeing the impacts of increased demand for water and we're seeing the impacts of increased intensity rainfall. So, if I'm being quite honest, we are going to have to keep investing to keep up with that climate change, so that unfortunately will ultimately lead to bill rises.

Now, my focus is to not only make sure we've got a resilient asset base to make sure we provide all those services, but also we are as efficient as we absolutely can be -

CCW Chair: Sorry, could I ask what you mean by asset base?

James Jesic: Good question, sorry Alison, that's me going nerdy again. When I say "asset base" I mean make sure our pipes in the ground are secure, our water treatment works can operate effectively, and basically keep increasing the amount of water we can put into the network as demand increases. That's what I mean by resilient asset base, apologies for slipping into technical jargon.

But my focus also is how do we make sure we keep bills as low as possible? And I haven't got charts with me, because we could spend hours on this one, Community Member 9, but if you actually look at bill profile over the last say 15 years versus the investment profile, the investment profile has gone up many, many more times than actually bills have gone up.

That's why we need investors. Effectively they give us money for us to invest in the network, that actually helps keep bills low, but at the same time we then have to pay those investors dividends. That's how the whole process, because you wouldn't lend me 100 quid if you weren't going to get something for it. It's the same principle really. But we could spend hours on this one.

CCW Chair: I've got a question from Community Member 2. She had her hand up.

Community Member 2: Just very quickly, you've said how many or the percentage of leakages you've done, x amount, which is great. How many of those are the leaks which have already been repaired more than once?

Session transcript

CCW Chair: I think Community Member 2 is following up on the comment that was raised about repairs to old infrastructure versus the rate at which you replace it with new infrastructure.

Steph Cawley: It's an absolutely brilliant question, Community Member 2. We try our hardest. When we fix a leak, we fix it permanently, but some of the pipes in the ground are very old and our mains replacement programme is based on those ageing pipes. Where we've seen multiple leaks, that's where we've focused our efforts on replacing those with brand new pipes that are going to last a lifetime.

James Jesic: This might blow your mind a bit, Community Member 2, the Severn Trent Water pipe network is 46,000 kilometres long. That will go round the world once. That's how long our pipe network is. It's a massive, massive network and we would love to replace it all, but to be quite honest, if I was to replace it all, the impact on bills, the investment cost would be absolutely huge. So we do this targeted investment programme. As Steph said, if we start getting repeat bursts in an area or repeat leaks, we will fix it, and we've already replaced, in the last 18 months, 400 kilometres, put in 400 kilometres of brand-new pipework across our network.

Community Member 2: Sorry, I mean outside our village, in our village, we've had a leak that's been going on now for, I would say, 18 months.

James Jesic: Well, that's outrageous. That's outrageous.

Community Member 2: It has been repaired three or four times.

James Jesic: Community Member 2, give us the details afterwards, Steph will fix it. Look, she's raring to go.

Steph Cawley: I'm raring to go. Get it to me.

Community Member 2: Thank you.

TMcK Facilitator: And we'll help facilitate that. We'll pass on the details.

CCW Chair: Can I pass the baton over to Joe? Is there anything that you want to pick up at the end of these two Q&As?

TMcK Facilitator: No, I think it's okay. We've been recording in the background. Obviously, we're having some tech issues sharing some stuff, so we'll finish up from our perspective there, Alison, if it's okay with you?

CCW Chair: Okay, well that's lovely. I think that this has been a really efficient and effective session where everyone's had a chance to talk. We've had a large amount of information from our colleagues at Severn Trent Water, so I think I'm going to try and call this to a halt.

Just in terms of the next steps, a summary report, fully anonymised transcript and a full list of actions will be published within seven working days, so that's Monday 23rd November, and before that, though, all session members will have the opportunity to request changes such as redaction of any personal information.

Severn Trent Water is required to publish its action plan within 28 working days, which will be Tuesday 22nd December, setting out how it will deliver against those agreed actions and CCW will publish that on its website. Once their action plan is published, community members will be sent a link and a short survey asking whether you feel that the plan accurately reflects what was agreed and whether it's enough to address your concerns. You've got 10 days to respond, and then CCW will track progress against the action plan through the Water Voice process which we talked about earlier.

And yes, there is always room for improvement on both sides, and that includes CCW, to make sure that we get the right sort of information from Severn Trent Water, which will help them by saving them time in terms of producing information and circulating that.

Ideally this process is about leading to change and follow-through and more change, not just discussion. But I really want to thank everybody in the community for the time and the thought and the challenge that you've put into tonight and in the briefing session and the pre-work, and also thank you to James and Sarah, Shane and Steph, for engaging with the process, for being remarkably candid and really honest where things have not worked and where we can do things better on both sides, and I think that's great. Your input is what makes these sessions valuable and gives them purpose, so I really want to say thank you to you for that.

I would just like to ask one question as chair. I am sent, in advance, a list of the attendees, and when I saw that earlier in the week, I really celebrated, James, because I was alerted to the fact that two or your non-execs were intending to attend, Andy Farrell and Paul Quinn, and I felt that the fact that two non-execs from your main board wanted to attend such a session was a real indication of their interest in improving customer service. I haven't asked, but have they actually signed in and attended?

James Jesic: I will correct you there, Alison. Two of our non-execs are on the call, it's actually Nick and Richard. You've just actually promoted two people within the business to the board, so they'll be incredibly excited now. No, they're not on the board but there are definitely two non-execs from our board on the call, Nick and Richard are on the call, but also our independent customer chair is the other person[10].

CCW Chair: Yes, they have a vested interest because they run something similar. But I just wanted to say that of the seven I have done so far, with seven water companies, this is the first one where two non-executive directors from the main board have attended, and I applaud you for that and for them for agreeing to take up the customer cudgel, and I hope that they will take this session back to your next board meeting, and raise the experience and discuss with their colleagues, and support you in your commitment to improving customer service and moving up from being number 11 in C-MeX for the companies. And I really want to see Severn Trent Water rise up those ranks -

James Jesic: Not as much as I do, Alison, I promise you.

CCW Chair: - and the real impact and outcome for people like Community Member 2, Community Member 5, Community Member 6, Community Member 8 and the others who've been here this evening, it's really important, so thank you.

James Jesic: Agreed, absolutely agree. Thank you very much, everybody. I really value that and thank you all for your time and your comments, it's genuinely really helpful. Thank you.

CCW Chair: Have a good rest of the evening, have a nice glass of something hot and warm or alcoholic or non-alcoholic to drink, and have a good rest of the evening.

[CLOSE]

[8] For reference - Richard Taylor, Nick Hampton (Board members):
Paul Quinn, Chair of our Independent Expert Challenge Panel