



Regulated Water Supply

South Staffordshire Water, which operates as Cambridge Water and South Staffs Water across two socially and geographically diverse regions, is a privately-owned regulated water only company. It provides high-quality drinking water to more than 1.7 million people and around 42,000 businesses in and around Cambridge, and in Staffordshire and parts of the West Midlands. It does not take away wastewater or treat sewage.

The period covered by this review has been challenging for companies in the water sector in England and Wales. There has been a slew of negative stories in the press and on social media, along with close scrutiny of water companies' performance by regulators and politicians.

And yet, in what has been a turbulent and unsettling year, the company's people have continued to go above and beyond to deliver for customers and the environment.



Securing the water future

A critical programme during the year was the culmination of work to develop the company's [business plan for 2025 to 2030](#) as part of the regulator Ofwat's PR24 price review process. The company's Board and its investors were actively involved in the plan's development. They challenged the company's proposals at every stage of their development and helped to drive its thinking and ambition.

For the first time, Ofwat asked companies to set their five-year business plans within the context of a [25-year long-term delivery strategy](#). The aim was to enable companies to outline the long-term outcomes they plan to deliver, and how they will deliver them in a range of plausible futures.

The company submitted its business plan to Ofwat in October 2023. Following an in-depth period of analysis and queries, Ofwat published its final determination on the plan on 19 December 2024. Ofwat rated the company's business plan as 'Standard' – the second-highest category and recognised the company's ambition on delivering stretching performance and ranked its cost efficiency as sector leading.

Ofwat final determination resulted in a satisfactory outcome for South Staffordshire Water Plc. New price controls, which will be reflected in the bills the company's customers pay, will come into effect on 1 April 2025.

Delivering long-term water resources

The company is acutely aware of the impact its activities can have on the environment. So, it does everything it can to mitigate these impacts, protecting and enhancing the environment while still securing a constant supply of high-quality drinking water for its customers.

Key to this are the long-term water resources management plans the company produces for its Cambridge and South Staffs regions. These plans set out how it will provide high-quality, secure and reliable water supplies in an affordable and sustainable way over a 25-year time frame.

During the year, the company worked closely with other stakeholders to develop its plans for the 25 years from 2025 to 2050. Its two operating areas are geographically diverse, and the focus of each water resources management plan reflects these differences.

In the Cambridge region, which is in one of the driest parts of the country, the company's plan focuses on securing sustainable water resources for the long term. One critically important feature of this is the [Fens reservoir](#), which the company is delivering in partnership with Anglian Water.

For the South Staffs region, the company's focus is on managing the demand for water. The company is confident that its planned universal metering programme and the work it is doing to encourage customers to use water wisely will help it to achieve its ambitions.



'Can for the Cam' campaign to reduce seasonal high demand, and help to protect local chalk streams.



Performance against regulatory targets

Delivering high-quality and resilient water supplies at an affordable price is central to the company's purpose. At the start of the current five-year planning period from 2020 to 2025, the company set itself challenging and ambitious targets that focus on delivering excellent services for customers, communities and the environment.

The company has had a mixed year in terms of its performance against these targets. It has performed very well in some areas, delivering excellent results. But there are other areas where it knows it still has work to do. Where needed, it has put action plans in place to ensure it can meet its own and its customers' expectations.

One area of exceptional performance is the number of customers the company is helping through its financial assistance and support schemes. Here, the company significantly exceeded its targets in each year of the current five-year planning period to date. In the year ended 31 March 2024, for example, the company provided financial support services to 61,752 customers, against a target of 38,000.

The company also performed well with its target for the number of household customers registered on its Priority Services Register, a free service for customers with additional needs or those who might find themselves in circumstances that could make them vulnerable. Registrations are well ahead of target, with 11.6% of household customers registered for additional support.

The company made significant investment in its assets and its people during the current five-year planning period, and this is making a real difference. For example, it is currently among one of the best performers in the sector for how it manages supply interruptions. This is linked very closely to its performance in finding and fixing visible leaks on its networks quickly, one of the top priorities for customers, where the company has been delivering exemplary performance, fixing 90% of visible leaks in four days.

But there are some areas where performance has fallen short of the company's – and its customers' – expectations. This includes its compliance with stringent drinking water quality regulations. The company is disappointed to have failed this important target during 2023, mainly because of a small number of significant failures at the Hampton Loade water treatment works in its South Staffs region. The company is confident the upgrade programme at the Hampton Loade works will help ensure water treatment processes remain highly effective in the future.

Another area the company needs to deliver improvements in its performance is C-MeX; the principal regulatory measure of household customer experience. Again, the company is disappointed with its performance during the reporting year, especially as it achieved its upper quartile target earlier in the current five-year planning period. An improvement plan is in place with a strengthened customer service team to help drive improvements in its performance.

The company has more work to do if it is to meet its ambitious target of reducing leakage in its Cambridge and South Staffs regions by 15% over the five years to 2025. While it ended the year ahead of its target in the Cambridge region, it is slightly behind where it would like to be in its South Staffs region. It will continue to focus its efforts on improving its performance in the year ahead.

Finally, the company still has some way to go to recover its position in relation to how much water each of its household customers uses every day. This is what Ofwat calls 'per capita consumption' and it is a measure the company has struggled to get back on track following the Covid-19 pandemic, with changes in working patterns continuing to impact demand. It is confident that it will be able to demonstrate improved performance in this area during the final year of the current planning period.



Hampton Loade upgrade programme

One of the company's key commitments for the current five-year planning period is the delivery of upgraded water treatment processes at the two largest works in the South Staffs region – Hampton Loade and Seedy Mill.

It has already met its target to deliver the upgrade programme at Seedy Mill and is continuing to progress with the project to install an innovative ceramic membrane filtration system at Hampton Loade.

The company has reported previously about the additional green recovery funding it was awarded in 2021 to install the new filters. As well as delivering enhanced water quality, the new filtration technology should also help reduce carbon emissions and deliver greater operational flexibility and resilience.

When complete, it will be the largest deployment of this technology by volume globally and the first retrofit in of its kind in an existing water treatment works.

The upgrade programme has continued to progress well during the year. The company's civil engineering partners have completed the principal engineering work and the new filtration units have been installed. At the time of writing, the company's focus was on testing the system fully before bringing the new plant into commission.

It remains on track to complete the project by 31 March 2025, in line with the target agreed with the Drinking Water Inspectorate and Ofwat.



Protecting the environment

The company has a responsibility to protect the environment for future generations. It has responded well to this during the year – increasing its focus on monitoring, tracking and improving its environmental performance and protection. This has allowed it to deliver a strong baseline position, as a result of:

- increasing the size of its Water Strategy and Environment team;
- training its field-based people how to spot and report pollutions risks, and self-reporting events to the Environment Agency;
- completing its environmental risk assessment and creating action plans to address any issues;
- working with farmers and landowners across the Cambridge and South Staffs regions through its successful SPRING catchment management programme; and
- achieving 100% compliance with its regulatory environmental obligations through the Water Industry National Environment Programme (WINEP).

It will continue to build on its performance in this critical area in the year ahead.



Valuing people across the business

As a trusted business, it is important for South Staffordshire Water to create an inclusive environment where all its people can thrive. The company is committed to fairness and transparency, and to shaping a culture that not only attracts top talent, but that also nurtures the continuous growth and fulfilment of all.

To that end, it started work during the year on developing and implementing a new values-led and data-driven people strategy built on the foundations of great people, operational excellence, customer focus, and trusted partnerships.

In developing this strategy, the company has focused its attention on talent acquisition and onboarding, employee voice, talent management, diversity, equity and inclusion, HR governance and reward and recognition.

Recognising the important role communication plays in employee engagement, the company has expanded the reach of its regular Executive updates. It now holds these sessions at all its key water production sites, giving the operational teams the opportunity to hear from and engage with members of the Executive team directly.

Finally, the company has a People Forum, a committee of 13 volunteers from across the Cambridge and South Staffs regions, who constructively engage with the business on behalf of its people, regardless of where they work. Its role is to create and sustain a positive culture that helps to maintain trust, build a shared view of the company and deliver meaningful solutions for all employees.

Looking ahead

The coming year will present the company with several challenges and opportunities. For example, the new UK Government has already announced a Bill in the King's Speech that could require it to be compliant with new regulatory obligations. But it also provides the company with the opportunity to engage with different stakeholder groups, sharing plans and successes with new audiences.

It will be important for the company to make sure it gets the best outcome from Ofwat's PR24 price review process for all its stakeholders, including its customers. The company remains confident in the strength and ambition of the plan it submitted and has already started work on implementing it.

Although there has been significant rainfall across the Cambridge and South Staffs regions over the winter and spring, the company will continue to encourage all customers to use water wisely. This includes the work it is carrying out with Anglian Water to consult on the new Fens reservoir and to bring its plans forward to transfer water from Anglian's Grafham Water reservoir into the Cambridge region.

The company will continue to develop and trial a new tariff to make customers' bills more affordable and encourage them to use water wisely. The new tariff is designed for customers who are not eligible for the company's social tariff, but who are still struggling to pay their water bills. Customers taking part in the tariff trial will be offered the 60% social tariff discount for efficient water use up to a certain level, with the standard tariff applying for any discretionary water use above that level.

From a people perspective, the company will focus its attention on making sure leaders across the business receive the training and the development they need to enable them to deliver its people strategy. It is also planning to initiate learning and development programmes to address skills and capability gaps across the business. It will also introduce additional employee engagement programmes that support the advancement of a positive working environment.



Using behaviour change approaches to reduce customers' water use

The company has a long-term ambition to help all customers use water wisely. Key to this is its strategy to deliver household water use reductions through sustained behavioural change.

During the summer months, the company typically supplies an extra 20 million litres of water a day in its Cambridge region. This means it sometimes must pipe extra water in from elsewhere or take more from underground sources, which can impact the rare chalk stream habitats in the region.

To help address this, between July and September 2023, the company ran its 'Can for the Cam' campaign, targeted specifically at reducing customers' water use. It encouraged customers to switch from using hosepipes to watering cans in their gardens.

The company used a variety of communication channels to spread the message, including social media, print and online promotion, podcasts and events. Key to this was making sure customers understood the link between the water they use and the impact this has on the local environment and chalk streams. The company educated customers on water scarcity and worked with local environmental organisations to promote water saving hints and tips.

The target was to save 500,000 litres of water each day through the campaign. Results were nearly double this, with customers using 940,000 litres of water less each day than they would have done.

The company is keen to carry forward the success of the campaign. It is working with behavioural change specialists from Cambridge University to help shape a follow-up campaign. It is looking to build on its strong start and make sure it continues to deliver sustained water savings.

In June 2024, the company was delighted that the campaign received a 'Highly Commended' in the Behavioural Change Campaign of the Year at the UK Green Business Awards. It has also been nominated for Water Efficiency Project of the Year at the national Water Industry Awards.





South Staffordshire Plc

To help create a world where essential services and
infrastructure deliver for customers, clients and our planet

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