

CCW's Strategy 2021-24 consultation

Severn Trent and Hafren Dyfrdwy response

8 February 2021

Introduction

Thank you very much for the opportunity to comment on your strategy for 2021-24.

This is a joint response from Severn Trent and Hafren Dyfrdwy:

- Severn Trent provides high-quality water and wastewater services to around 4.5 million households and businesses in the Midlands from the Bristol Channel to the Humber, and from Shropshire to the East Midlands. Severn Trent has one of the lowest average annual bills of the water and sewerage companies in England.
- Hafren Dyfrdwy provides high-quality water and wastewater services to customers in North East Wales, from Wrexham and Bretton in the north to Llanidloes and Knighton in the south. Hafren Dyfrdwy has the lowest average annual bill in Wales.

Mission and Objectives

We support your mission of securing a fair deal for water consumers, now and in the future. We also support your objectives of:

- Affordable water for everyone.
- Climate-resilient water & sewerage services for present & future consumers.
- Services shaped by the views of consumers.
- Services that meet everyone's needs.
- Effective and easy to follow complaint processes.

We look forward to working with you collaboratively over the period 2021-24 on these objectives. For example, recently you provided Severn Trent with helpful feedback on the customer engagement we carried out on the green recovery proposals we submitted to you, Defra and the three water regulators for England. In Wales you are helping Hafren Dyfrdwy with a research project to identify best practice in customer engagement for smaller companies.

Achieving your second objective of climate-resilient water and sewerage services for all customers will require funding at PR24 due to the increased pressure climate change puts on water resources and the increased flooding it causes. We will be engaging with you during the PR24 process about the most efficient way to achieve climate-resilient water and sewerage services while keeping water bills affordable.

CCW's Strategic Campaigns

We have the following comments on your four strategic campaigns.

End water poverty

We support standardising aspects of the eligibility criteria for social tariffs across the industry as we set out in our recent response to your affordability review. We also commented that it would be helpful to have greater clarity about who is responsible for what aspects of social tariffs. Having Defra (in England), the Welsh Government (in Wales), Ofwat and CCW issue clear statements for England and for Wales would allow companies to standardise eligibility criteria and could help us respond to your aim of increased funding for social tariffs.

CCW: a voice for your complaint

We recognise you want to help customers achieve improved outcomes when they have complaints. We will play our part too. We will be submitting action plans on household complaints for Severn Trent and Hafren Dyfrdwy at the end of March in response to the request in the CCW and Ofwat joint report on complaints practices. We are already working towards our ambition of a complaint resolution time of 5 days by 2024-25. And we will continue to learn from the feedback you provide to us in individual cases.

End sewer flooding misery

We whole-heartedly agree with you that being flooded by sewage is one of the worst service failures a customer can experience from their wastewater company.

Severn Trent's performance on internal sewer flooding is currently upper quartile in the sector and we are committed to reducing sewer flooding by a further 20% during this five-year price control period up to 2025.

Hafren Dyfrdwy's performance on internal sewer flooding is currently better than the sector average and we are committed to reducing sewer flooding by a further 20% during this five-year price control period up to 2025.

Over the past five years we have invested in activities such as hotspot flood improvement plans and hydraulic flooding schemes alongside working with and delivering 26 flooding multi-agency solutions to reduce complex instances of flooding.

A key issue to take account of is that flooding is often complex. Where we observe complex hydraulic flooding, it involves multiple sources of flooding with different agencies responsible for managing them, such as the Environment Agency and the lead local flood authority (county councils and unitary authorities). Where the flooding is caused by a blockage it can be influenced by items that are disposed of down the sewer, which should not be. For example, in Severn Trent's area we pull around 2½ tonnes of wipes and other items which should not be disposed of down our sewers every week, in every town.

We will engage constructively with your campaign, which could help encourage customers only to put the right things down sewers. We think your campaign would benefit from reflecting the

complexity and multi-agency accountability that flooding issues often present. We also think your campaign would be most effective if it works alongside the stretching performance comments that the water sector has pledged up to 2025. The associated outcome delivery incentives (ODIs) provide a financial and reputational incentive for companies to meet and outperform their commitments to reduce sewer flooding and do not have an exclusion for exceptional weather. Equally, the strong C-MeX incentive makes sure we focus on improving our customers' experience, including those affected by sewer flooding.

"Be in the know" about available help

We support your aim of increasing customer awareness of the help that is available through the priority services register. You have a stretching aim of increasing customer awareness from 42% now to 60% by 2025 and 75% by the end of 2030. This aim will need partnership working across the sector to increase customer awareness and we will work with you on this.