



AffinityWater

Review
of 2023/24

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Chief Executive Officer's introduction

Welcome to Affinity Water's review of 2023/24 which summarises our performance over the past year.

Over this last year we've focused on galvanising our three areas of operation, uniting in our commitment to serving our region and taking care of our customers and environment every day.

We've seen positive improvements in performance this year as well as some challenges, and I have full confidence that we'll continue to build on this strong performance in the coming year with a highly engaged workforce delivering transformational activities for key operational areas of the business.

We continue to play our part and are making good progress in terms of delivering the assets and changes to our network. The commissioning of the Sundon water treatment facility is the priority scheme that must be delivered ahead of March 2025 to allow the Abstraction Reductions to be implemented on time and commissioning will be complete in December 2024.

Our shareholders continue to support our performance improvements and have not taken dividends from the regulated business this year. Looking ahead to the next five years, we'll need to raise significant capital to fund our largest ever investment programme, with our shareholders potentially pledging to include up to £150m equity to enable that.

We've refreshed our vision and values to recognise the diversity of the communities we serve and introduced a new Equality, Diversity, and Inclusion strategy, as well as reviewing our paternity and wellbeing policies.

I am keen to get started on our future objectives, and, while we continue to see some challenges on performance, I am confident we have the right people and plans in place to finish this current AMP in a strong position and start delivering our proposed goals to 2030.

Keith Haslett
Affinity Water CEO



Highlights

- We've continued to drive down leakage and beat our target by reducing leakage by 18.3%. As we enter the final year of this five-year period, we're on target to deliver a 20% reduction by 2025 and 50% by 2050.
- We supported our customers with innovative payment support, including launching a tariff trial with 1,500 customers to explore if different ways of charging make bills more affordable and encourage water saving.
- We've achieved our best ever reduction in supply interruptions for customers, building on our performance improvements.
- We successfully met all our targets set by the Water Industry National Environment Programme (WINEP), including delivery of 10 environment innovation projects and 30 river restoration projects this Asset Management Plan (AMP) period.
- We reduced abstraction by 267 million litres in the year from environmentally sensitive sites when flows or levels were low, and helped our customers reduce their water usage by 36Ml/d.

About us

We're the largest 'water only' company in England. That means we supply clean drinking water to our customers, but we do not collect or treat wastewater or sewage. We own and manage the water assets and network in an area of approximately 4,500km² across three supply regions in the Southeast of England. We've been supplying water to our local communities for more than 170 years.

Sustainability is embedded in our strategic thinking as a business and integrated in our daily activities, which helps us to tackle head on the threats posed by the effects of climate change, demand for water, pollution, and centuries of river alterations.

Our Purpose

Our purpose is to provide high-quality drinking water for our customers and take care of the environment, for our diverse communities now and in the future

We're taking care of your water now and for the future

937mld

million litres of drinking water supplied daily

[2022/23: 948mld]

3.90m

Customers served

[2022/23: 3.89m]

1.51m

Household properties connected

[2022/23: 1.49m]

£347.6m

Revenue

[2022/23: £315.0m]

16,989km

Length of mains network

[2022/23: 16,900km]

1,430

Number of employees [excluding directors]

[2022/23: 1,460]

90

Number of water treatment works

[2022/23: 90]

£21.1m

Operating profit

[2022/23: £14.6m]

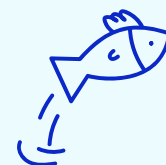
£37.3m

Net loss [after tax]

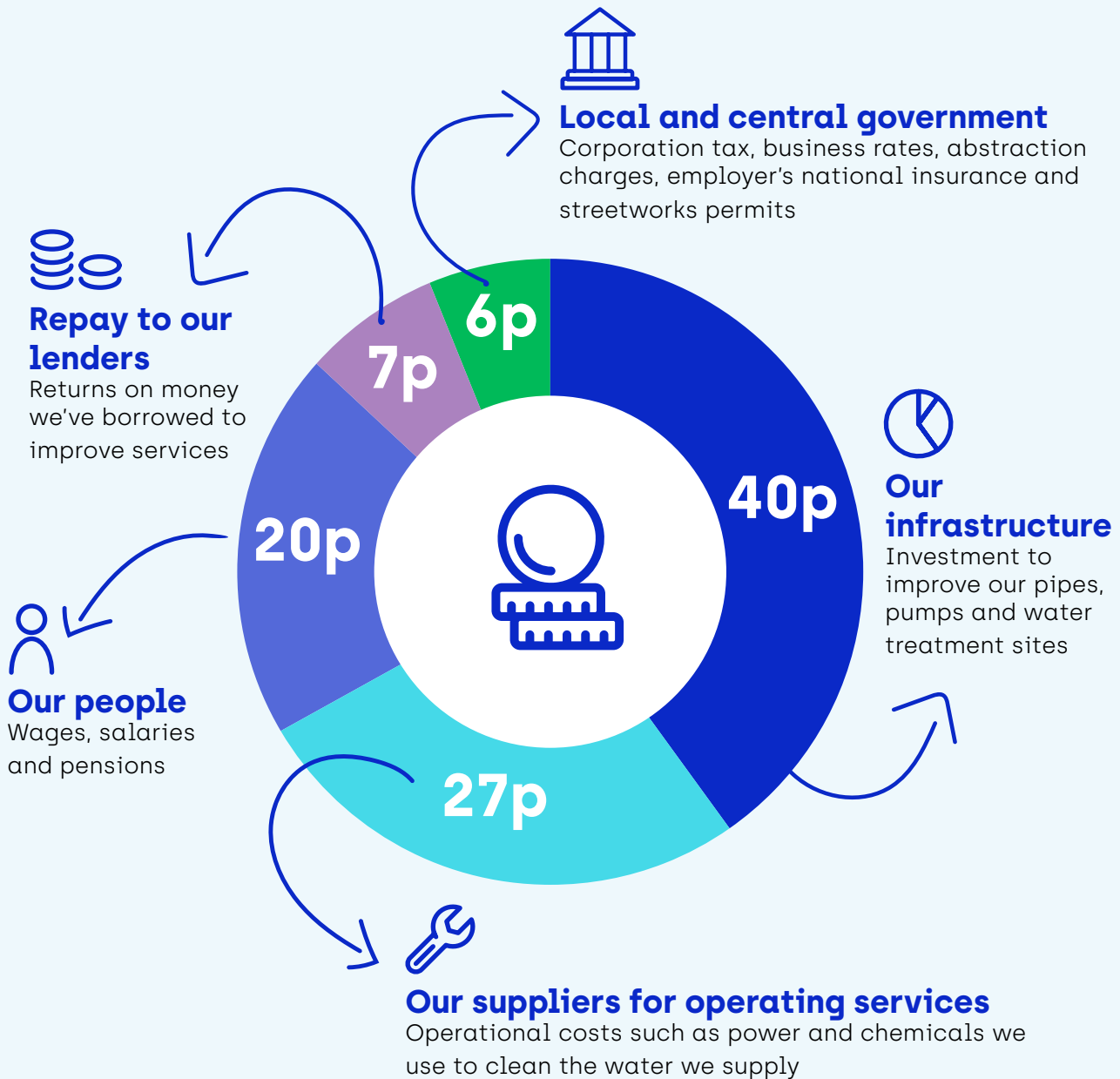
[2022/23: £100.4m]

£1.44bn

planned investment for 2020-2025



How every £1 is spent*



* Please note, the amounts in pence are rounded figures.



The Fair Tax Foundation is an independent, not for profit community benefit society. The certification scheme was launched in 2014 and seeks to encourage and recognise organisations that pay the right amount of corporation tax, at the right time and in the right place. Affinity Water has been accredited for the sixth year in a row.

Our strategy: Environment



Aim: To leave the environment in a sustainable and measurably improved state.

We're committed to protecting the environment by reducing the amount of water we take from local chalk groundwater sources. From 2015 – 2020 we reduced our water abstraction by 42 million litres a day, and we aim to reduce this by 80 million litres a day by 2025.

To achieve this, we're building new infrastructure, including a new water treatment facility in Sundon, Central Bedfordshire. This new facility at Sundon will help us to treat and distribute water from Grafham Reservoir, which is managed by a neighbouring water company, helping us to maintain the high quality our customers expect, while reducing our impact on local chalk streams.

In October 2023, we launched our Home Leaks campaign which supported customers to identify hidden leaks in their homes to help save water, save money, and Save Our Streams. Leaky taps, toilets, pipes, and tanks not only causes damage, but can also cost customers as much as £300 extra a year, so we partnered with Sarah Beeny to encourage our customers to look for these leaks in their homes.

For more information, please visit: affinitywater.co.uk/sundon-reservoir



Our strategy: Resilience



Aim: To be prepared for change, and resilient to shocks and stresses.

We've continued to invest with our stakeholders to ensure a resilient supply of water for our customers by maintaining and improving our physical assets so that we're able to cope with and respond to an increasingly uncertain future.

Innovation and collaboration are at the heart of how we're building a more resilient and sustainable future. One example is Project Zero - a collaborative project with Ofwat, third party water and wastewater companies (NAVs), behavioural change experts and water efficiency/reuse experts. It involves reducing water demand, reusing water, and offsetting the residual deficit to ensure a new housing development adds no additional demand.

The project has delivered the world's first at scale "water neutral" housing development, creating a blueprint for the industry, and showcasing how we can adapt and become more resilient to the impact of climate change by building new homes that are water efficient and encourage behavioural change.

For more information, please visit:
affinitywater.co.uk/waterneutrality





Our strategy: Customers

Aim: To deliver what our customers need, ensuring affordability for all.

We've maintained a constructive, collaborative relationship with our customers which enables us to work together to deliver for the future.

We're proud to have extended our Water Assistance Scheme to additional partners to help customers with the cost-of-living crisis by supporting up to 60,000 household customers who are most in need with a one-off £50 payment towards their water bill this year.

For those customers who struggle to pay their bill, we have payment arrangements that are as flexible as possible, and we encourage customers who find themselves in difficulty to contact us as early as possible. Our social tariff, the Low Income Fixed Tariff (LIFT), currently supports around 109,000 customers who are least able to pay their bills.

We continue to exceed our target for the Priority Services Register (PSR), with 10.73% of our customers on the register. Through our data sharing with UK Power Networks (UKPN), we've created 1,445 new customers and refreshed 1,109 existing customers.

For more information, please visit: affinitywater.co.uk/helpmepay

Our strategy: Communities



Aim: To work with our communities to create value for the local economy and society.

We're working hard to create a collaborative relationship with all our communities, allowing us to act together with common purpose to deliver a society and environment that are mutually sustainable.

In 2023, we reopened 'INNS OUT' – our community fund initiative that supports community groups and organisations with projects that reduce the spread and introduction of Invasive Non-Native Species - for its fourth year.

The support was both 'in-kind' with our staff committing 40 volunteer days, and financial, with 23 projects receiving support of up to £5,000 per project and £10,000 for catchment wide schemes.

In 2023, a transformative partnership project with Herts and Middlesex Wildlife Trust created a rare and diverse habitat for wildlife at Hilfield Park Reservoir. Conservation work included the creation and maintenance of scrapes, ditches, creeks, and lagoons.

The Trust host regular events at the site, enabling the local community to engage with wildlife in this special habitat and to enjoy a variety of different wildlife activities, such as guided walks and pond dipping.

For more information, please visit: affinitywater.co.uk/sustainability



Planning our future



Every five years, water companies produce business plans that set out the performance commitments they will make over a five-year period. These plans are shaped by customers and other stakeholders, based on what they want their water company to achieve and are approved by our regulators.

We submitted our plans in October 2023 and will receive our final determination from Ofwat later this year. Our business plan sets out our short and long-term ambitions to tackle the challenges we face, to create value for our society and the environment.

We've also worked hard with our stakeholders and other regional water companies this year to develop our 25-year long-term strategy and Water Resources Management Plan (WRMP), setting out how we will provide a sustainable supply of water, while taking care of the environment for our region.

These long-term plans play a significant part in ensuring our rivers have good ecological health through abstraction reduction and wider environmental improvements. We're making good progress on developing the first of the major schemes to deliver water for the future – the Grand Union Canal Transfer.

The project begins at a water recycling centre in Birmingham, where water will be treated and sent through a new pipeline into the Coventry Canal at Atherstone, Warwickshire. From there, it will travel 131 kilometres along the Oxford and Grand Union Canals. Existing equipment and new pumps and pipes will aid its journey, with water directed to a new treatment works near Milton Keynes, where it will be stored and processed into clean drinking water.

The project also aims to benefit canal users, local communities, and the environment.

To find out more about our business plan for 2025-2030, visit:

affinitywater.co.uk/business-plan

**Thanks for reading
Our Review of 2023/24**

[affinitywater.co.uk](https://www.affinitywater.co.uk)

If you'd like to find out more information about our performance, how we operate or what we do, please read our latest **[Annual Report 2023/24](#)**.



AffinityWater