



South Staffs Water

Corporate Social Responsibility Report 2008/9



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1. Introduction

Welcome to our Corporate Social Responsibility Report for 2008/9. As always, the report details our actions over the last 12 months, with clear indication for our future vision and strategy. The report continues to follow and embrace our 3Cs, Customers, Carbon and Costs, which remain as relevant as ever.

Here at South Staffs Corporate Social Responsibility remains central to business activity and spans, amongst other responsibilities, the spectrum of employee involvement, recognition, development and engagement. The report also describes our environmental responsibilities, particularly where these apply to further development of the Education Centre at Blithfield.

This year's report focuses, in particular, on our employees and you may well be pleasantly surprised at the significant number of initiatives, as well as awards, which collectively describe our involvement. Examples of these include the Business in the Community Big Tick Award for work/life balance, achieved in an environment where only around a third of all applicants exceeded the standard required. In addition, the report notes another successful year for the Spotlight Award, the Employee Satisfaction Survey, the Idealist Scheme (which goes from strength to strength) and the change to the Excellence in Action scheme where our management team now has a separate and specific way to recognise their success.



Once again, I very much hope you enjoy the report. I am privileged to have read it before you have and I can say that it has left me feeling proud of another year of exceptional progress. Please do not hesitate to let John Morrall know of any comments you may have for inclusion next year.

A handwritten signature in blue ink, which appears to read 'Jack Carnell'. The signature is stylized and fluid.

Dr Jack Carnell
Managing Director

2. Our Workforce

2.1 EMPLOYEE SATISFACTION

In 2008/9 we launched a new-style employee feedback questionnaire that targeted specific areas that had in the past been identified as important by both the Company and our employees alike.

All employees were asked to give feedback on topics such as training, benefits, their working environment, job satisfaction, work life balance and communication. The response rate of 42%, unlike previous surveys, included feedback from every area of our workforce making this year's feedback even more meaningful.

Consistent with other employee surveys (formerly known as Hit and Miss) the following are considered to be the most positive aspects associated with working here:

- The benefits package
- Flexible working
- The people
- Job satisfaction
- The Company (culture, prospects, feeling valued)

Around 90% of respondents considered us to be a "caring" employer, with around 70% rating their work-life balance as either good or very good.

Managers were recognised by around 80% as being open and fair with 70% feeling that their manager involved them in local decisions.

Communication in general was rated positively. Specifically, the team brief was received by 96% of respondents with around 75% rating the monthly feedback process as either good or very good.

The positive aspects of working here identified by employees through the survey are representative of our culture and will continue to be important in respect to how the business operates and the decisions that are made.

There were, however, areas identified as needing improvement and it is these that will become the focus in the forthcoming 12 months and beyond. Focusing specifically on the least positive aspects:

The Working Environment: A review is already underway of the open plan office space. Suggestions for improvements are being requested from all employees through the team brief feedback process. Any ideas will be considered as part of the review, the outcome of which will be communicated along with timescales for agreed improvements in due course.

Management: The feedback from the 2008 employee survey and the latest 3600 Feedback process has been collated leading to a bespoke management development programme that will begin during April 2009. Measurements against which to assess the training are being agreed in order that improvements in the areas for development can be monitored and reviewed. There is a commitment from the Senior Management Team, who will also be involved in the training, which will seek to adopt better and consistent management styles.

Salary Levels: Salaries are based on an internal benchmark agreed via an established evaluation process and, where appropriate, external benchmarking is also undertaken. Work will continue in respect of benchmarking our benefits package as a whole to ensure that it remains competitive with the external market.

Appraisals and 1-2-1s: A review of how appraisals and 1-2-1s are undertaken across the Company will be carried out in conjunction with the 2009 management development programme. It is important that everyone involved in these discussions recognises the benefits of appraisal and 1-2-1s and, therefore, this is an area that will be addressed this year.

On the whole, the response from the 2008 employee survey was extremely positive. Feedback and a summary of intended actions have been communicated to employees with regular updates planned for 2009/10.



Our Spotlight Awards entered their second successful year.

“Our approach to work-life balance is, and always has been, centred around working with employees to define benefits.”

2.2 360 DEGREE FEEDBACK

Once again all our managers and directors received 360° Feedback on a range of management values and behaviours seen as being important for their role. The 2008 feedback process aimed to measure the difference in overall response ratings from those received in 2007. The information was then used to specify an appropriate management development programme for implementation in 2009. At an individual level, each manager matched his or her responses against an Action Plan put in place following the 2007 exercise. Managers then discussed, in confidence, the outcomes of the exercise with a consultant who helped define their 2008 Action Plan. Through 360° Feedback, it is our intention to develop a consistent style of management in keeping with our culture and business focus.

2.3 WORK LIFE BALANCE

Following on from us being presented with the HSE and DWP's Health and Well Being Award in 2007, in 2008 we were selected by Business in the Community to receive a Big Tick award for excellence in recognition of our commitment to employee health and well-being.

This award followed the launch in 2006 of Best of Both Worlds, an umbrella for all of our family-friendly, health and well-being benefits. Not only did this initiative bring together existing and established benefits, it also provided an opportunity for us to add to our benefits portfolio in response to employee feedback and requests.

As a result, employees now benefit from access to an on-site children's day nursery and gymnasium, as well as flexible working across the Company, healthcare and holiday schemes in addition to various health checks and programmes.

Our approach to work-life balance is, and always has been, centred around working with employees to define benefits with the aim of making life easier and in turn helping to manage the pressures of everyday

life, whether through flexible working practices or by gaining access to external benefits and organisations through work, thus saving time and effort for employees.

The decision to award the Big Tick was made by a panel of independent, experienced practitioners, and as such was both hard won (only 39% of applicants are successful), and highly prestigious. Peer-assessed and independently assured, the Big Tick award is the most respected endorsement of responsible business practice.

Nursery

May 2008 saw the first anniversary of our successful workplace day nursery. The event was celebrated in fine style with the staff organising a birthday party for the children and their parents. Take-up rates have been good with the majority of employees returning to work following maternity leave reserving their child a place in the nursery. In addition to the facility itself, we have secured Salary Sacrifice status for employees paying fees direct through payroll, thus significantly reducing the net cost of nursery placements. The scheme places the nursery in a very competitive position within the local market, thus encouraging more employees to take advantage of the facility.

2.4 RECOGNISING OUR EMPLOYEES

Excellence in Action

The Excellence in Action reward and recognition scheme continues to go from strength to strength as individual employees and/or teams go beyond the expected duties of their role; they receive either shopping vouchers or a monetary payment for their efforts. A panel of employees sits once every two months to assess the higher level, or Tier 2, submissions, based upon a fixed set of judging criteria such as: making a difference; individual or team effort; motivating others; and that all important “wow” factor. Each judging element is allocated points that are then totalled to give the level of reward. Following the announcement of the reward to the individual(s) concerned, their



May 2008 saw the first anniversary of our successful workplace day nursery.

success is shared with colleagues and then the rest of the workforce through a series of publicity initiatives including a photograph in the Hall of Fame, local team briefs, articles in the Company magazine and ultimately the possibility of further recognition at the annual Employee Spotlight Awards.

Idealist Suggestion Scheme

The scheme is an effective source of business improvement and for the fourth year in succession the volume and value of suggestions has increased to nearly double the level since the re-launch in May 2007, generating some £6,000 in prizes. While many attract a good deal of intangible benefits, it is likely that this year alone, net savings will amount to over £32,000.

The 4th Idealist of the Year Award Ceremony took place at Somerford Hall in June and proved to be yet again another successful event following an even more successful and record-breaking year. Over 50 staff attended the ceremony, and as the vast majority had been prizewinners throughout the year, were candidates for the main award. Initially, seven individual category winners were selected, leading ultimately to the £1,000 cheque and trophy going to Fay Pollard, Procurement Buyer, for the introduction of a value analysis/value

engineering (VA/VE) concept to the business. The process, new to SSW, revolves around specialist project teams exploring alternative materials where high volume and costs are attributable. The first, related to Main Stop Taps (MSTs), is now well advanced and has the potential to save £150k p.a. without detriment to quality or service.

Spotlight Awards

Our Spotlight Awards entered their second successful year. An evening of celebration saw awards for manager, employee and team of the year being presented as well as awards for special contribution and outstanding service to the Company.

As with the 2007 awards, all nominations came from employees, with the winners being selected by a panel of managers and employees from across the Company. The only winner not to be selected by the panel was a young female engineer, who was presented with an award in the memory of the late David Penna.

Plans are in place to repeat the event again in 2009, to include a new award for Apprentice of the Year in recognition of the five Apprentice schemes offered here.

“We are working with the Institution of Mechanical Engineers to introduce a Monitored Professional Development Scheme, aimed at engineers looking to develop to Chartered status..”

2.5 PEOPLE DEVELOPMENT

We have continued to invest in employee development and will carry on doing so into 2009/10 and beyond with a firm commitment to providing support for the personal, skills, technical and academic development of our employees.

Engineering Graduate Programme

The 2008 Engineering Graduate Programme saw the introduction of three new graduates bringing the total number of graduates on the programme to five. Within the year, all five graduates have been placed within the Company, working on projects relating to pump efficiency, meter strategy and emergency planning as well research and development within the area of Direct Services.

Monitored Professional Development Scheme (MPDS)
We are working with the Institution of Mechanical Engineers to introduce a Monitored Professional Development Scheme, aimed at engineers looking to develop to Chartered status. The scheme is mapped against the Engineering Council competencies and as such, successful completion enables engineers to apply to any institution for Chartered status. Whilst the scheme has initially been introduced as part of the Graduate Programme, there are plans to extend its scope to other engineers in 2009/10.

CIWEM

The CIWEM programme continued with four engineers continuing to work towards achieving Chartered status, with the support of dedicated mentors and Nigel Shipley as senior mentor and on-going co-ordinator for the programme. This programme will operate concurrently with the MPDS offering development choices to our engineers.

David Penna Award

In the 2008 Spotlight Awards, Becky Turner was presented with the David Penna Award in recognition of her successfully gaining a 1st Class Hons Degree in mechatronics. Becky elected further development through the David Penna Award in the form of MSc modules linked to her degree.

Production – National Competent Operator Training
In April 2008, Production Technicians, Operatives and Shift Controllers commenced an 18-month programme working towards a level 3 City and Guilds Diploma in Water Engineering as well as NVQ level 3 in Control Process Operations. Completion of the programme will result in a fully trained production team, qualified to national standards.

2.6 COMMUNICATION & CONSULTATION

A review of consultation and negotiation arrangements commenced during the year in response to feedback from employees through an employee survey, regarding existing arrangements through our Joint Negotiating Committee (JNC).

With a much reduced union membership, there was concern that the majority of employees were not properly represented and as such a proposal has been presented to members of the JNC and the two unions we recognise (Unison and GMB) based on revising the scope of the JNC to cover all matters of negotiation and for a new Information and Consultation Forum to be introduced to include employee representatives from all work groups.

The proposal has been accepted by the Senior Management Team and will be discussed in more detail with members of the JNC and the unions ahead of a new Employee Relations framework being presented to employees in the summer of 2009.

2.7 SOCIAL & RECREATION

We still operate an active social club run by a volunteer committee of employees. The events organised by the committee account for a wide range of interests and sporting activities. In many instances they include family and friends with events such as day trips, visits to theme parks and, of course, the local Christmas panto. On the sporting front, we entered a ladies' netball team in the UK Utilities annual cup competition, played cricket against a team from Severn Trent and entered several

“In July 2008 an Employer Volunteer Scheme was launched to the workforce following a series of briefings and employee road shows.”



(left) One of the activities registered to the Employee Volunteer scheme so far has been the removal of bracken and brambles in a local bluebell wood.

teams in a WaterAid 5-a-side football tournament. The annual “It’s a Knockout” event raised over £1,250 for local charities.

Employer Volunteer Scheme

In July 2008 an Employer Volunteer Scheme was launched to the workforce following a series of briefings and employee road shows. The Scheme entitles employees to apply for up to three paid working days per annum during which they can participate in activities that benefit the community, the environment or education. Such has been its success, that in the nine months ending 31st March, 2009, 110 days of employee participation have been registered on activities such as: preparing a talking newspaper for the blind, support for the sarcoidosis organisation, the removal of bracken and brambles in a local bluebell wood, practice interviews for school leavers, staging a pantomime and organising a fun learning day for over 130 children with special needs.

2.8 HEALTH & SAFETY

Effective management of health and safety is key to employee welfare. We remain committed to maintaining the highest levels of health and safety throughout the business. Indeed, our aim is to manage it beyond compliance standards in order to achieve improvements to the working environment. The Managing Director champions health and safety at board level, in recognition of the importance we place on it being led by the board.

However, employee involvement is equally vital, thus we have an active Health and Safety Committee. Management and employees are equally represented, with the Committee meeting quarterly; members undertake initiatives in line with our core activities.

Training needs are reviewed and reassessed regularly in order to ensure that staff continue to be proficient over risk management. All staff are given general safety training during induction, while managers and supervisors take the Institution of Occupational Safety and Health (IOSH) “Managing Safely” programme in order to effectively manage health and safety and to drive improvements forward.

The further development and encouragement of good working practices, along with ensuring the highest competence standards among both staff and contractors, will, we consider, result in excellent performance.

3. Our Community

Being involved in the community we serve is an important aspect of the business; not separate but part of the overall picture.

Working with the local community has a number of benefits:

- Feedback we receive helps us see how the decisions we make as a company affect different communities, in turn allowing us to see to how to make best use of our resources and improve our service to customers.
- In areas where we traditionally only contact customers at billing time, we may have the chance to start a process of dialogue.
- Having a regular dialogue with all of our customers also gives us more opportunities to advance important messages, for example on climate change and water wastage.
- By encouraging staff to be involved in the local issues and organisations that they care about, there may be the possibility of staff development outside of the workplace, which is both of interest to them, and which is also of benefit to the community. As a company, we also get to hear about issues affecting staff, and we can become more involved with the community.

In a nutshell: we are not separate from the community we serve, we are part of it.

3.1 OUR CUSTOMER COMMITMENTS

Providing clean, healthy, water is one of the most essential and basic necessities for a healthy community and was the reason South Staffs Water was founded more than 150 years ago. It remains our top priority. The importance assigned to customers is also reinforced within our corporate objective setting process that is covered by the strap line "The 3 Cs" representing customers, carbon and cost.

Drinking Water Quality

We design and operate our water treatment processes carefully in order to make sure that the water we supply to our customers is of the highest quality.

Water samples are taken for analysis from all stages of distribution including treatment works, reservoirs and randomly chosen customers' taps. During 2008, 74,070 tests were carried out, with 99.99% meeting the Drinking Water Inspectorate requirements. The small number that did not meet regulatory standards was not a risk to public health.

For further details, visit: www.south-staffs-water.co.uk/households/quality.asp

Customer Service

We supply a vital service to the people living and working in our supply area, therefore customer service and satisfaction is of great importance to us, and our strategic planning reflects this.

We are assessed against a number of overall performance assessment measures (customer services, environmental factors, such as pollution incidents, and water quality indicators) on a yearly basis. We are forecast to achieve a score of 99.3% in 2008/9. We have achieved an average score on this measure of 98.8% over the past five years; this latest figure places us third highest in the industry. Overall, our levels of service indicators remain in the highest categories: our performance in dealing with written complaints has increased from 99.8% to 100% for 2008/9. For our response to customers' billing queries, our level of service has increased from 98.3% to 99.3%.

Over the course of the year we issued 1,193,109 bills and dealt with 446,712 billing enquiries. Improving customer satisfaction and remained a high priority for the company, we have achieved our best ever score in the Ofwat telephone call handling satisfaction survey. We were ranked 6th in 2008/09, moving from 14th the prior year and this is our best position since surveys began in 2005. A new customer feedback mechanism is currently being established to enable us to understand

“We are not separate from the community we serve, we are part of it.”

what our customers think of the service we provide and how we can improve.

We make considerable efforts to publicise our vulnerable customer scheme for those with large families or some medical conditions, who are in receipt of certain benefits or tax credits. Some 364 customers were helped through the scheme. This compares with 259 in 2007/8. There are also 3,170 customers on the special assistance register that offers extra help for people with sight or hearing difficulties, learning disabilities, mobility and other difficulties.

We continue to work closely with the Consumer Council for Water (CCWater), a consultative body acting in the interest of customers, which consults with them on our service.

We also continue to monitor and develop our customer communications, including literature and the website, to ensure they maintain a high standard both in ease of use and the quality of information they contain.

The South Staffordshire Water Charitable Trust
This Trust gives financial help to customers who are unable to pay for the supply of water to their home, such as the elderly, sick, some families claiming benefits, low-income families, or those experiencing transitional difficulties.

During the year, the Trust received 560 standard and two transitional applications. Grants totalling £74,984.99 were made to 527 customers who satisfied the qualifying criteria. This compares to £64,325 in 2007/8.

The South Staffs Water Exhibition Trailer

This has been sited at local events such as the Staffordshire County Show and Kinver Fayre. It has proved valuable in telling our customers about what we are doing, such as acting as an information point in areas about to have water supply disrupted due to mains rehabilitation work, letting people know about recreational developments at Blithfield and informing on the work of WaterAid.

Such face-to-face contact with our customers is viewed as an important area for future development. It is proposed to extend the use of the trailer in 2009 through initiatives such as outreach educational programmes at both primary and secondary schools and additional events similar to the County Show mentioned above.

National Award

During the year our Mains Rehabilitation Team won an award, along with other partners, for a scheme that involved six sets of work being carried out in Kinver, including replacement of water mains. Planning and team cooperation between the different partner organisations and contractors meant disruption to local residents and businesses was kept to a minimum. Nominated by Staffordshire County Council, we, and the other partners in the scheme, jointly won the Working in Partnership category of the National Joint Utility Group awards.



“We offer a variety of recreational and educational activities at some of our sites.”



Our popular annual Casino Night event is held in support of WaterAid

3.2 WATERAID

We continue to support WaterAid as our main national charitable cause and both support and encourage a number of fundraising activities, including our popular annual Casino Night event. During 2008/9 the total contribution for the year was about £21,000.

3.3 RECREATIONAL PROVISION

We offer a variety of recreational and educational activities at our sites, in particular at Blithfield and Chelmarsh reservoirs, with developments currently going on at Blithfield to increase public access to the area.

Blithfield offers excellent fly fishing and is home to Blithfield Anglers – with fishing available either through annual membership, or on purchase of a guest day ticket. Members of the Blithfield Sailing Club are regularly to be seen out on the water, while the area

	Educational Visits	Open Access / Walking	Bird Watching	Sailing	Fly Fishing	Coarse Fishing
Blithfield	*✓	*✓	✓	✓	✓	*✓
Brindley Park	*✓					✓
Bury Hill		✓				
Chelmarsh	*✓	*✓	✓	✓		✓
Crumpwood			✓		✓	✓
Hampton Loade	*✓					
Hanch		✓				
Hayley Green			✓			
Head Office	*✓					
Hednesford		✓				
Maplebrook	*✓					
Nethertown		✓				
Sedgley		✓				
Seedy Mill	*✓					

*Some restrictions apply or by prior appointment only

is also known for its bird-watching and is a popular venue for members of the West Midlands Bird Club, which highlights the area's Site of Special Scientific Interest (SSSI) status. The education centre is available to local schools as a resource for Key Stage 2 science lessons, and facilities there are now being improved to widen what is offered. Car parking, walkways, including sections allowing for wheelchair access and a boardwalk across wetlands, are currently being installed in woodland to the north of the reservoir, in order to open the area up to the public.

At Chelmarsh, coarse fishing, sailing, bird watching and walking are all popular activities, while Crumpwood offers bird watching and both fly and coarse fishing.

Members of the Blithfield Sailing Club are regularly to be seen out on the water at Blithfield reservoir





Pond dipping for mini-beasts is just one of the activities carried out at Blithfield Education Centre.

3.4 EDUCATION

The further development of the Education Centre at Blithfield took several steps nearer to becoming a reality during the year. Detailed plans of the proposed new facility were submitted to East Staffs Borough Council in late March 2009. The main items within the submission covered the conversion of our Victorian sawmill into a 50-seat classroom with self-contained toilets and a 20-seat breakout room. The submission also contains proposals for a new office and reception area with wheelchair access throughout the whole facility.

It is hoped the plans will be approved sometime in early 2009/10. Subject to receiving planning consent the enhanced Education Centre would consist of two classrooms both with their own toilet block, a large breakout room and parking for up to 40 cars. Together the two rooms could host either two separate class size groups or a year group of up to 110 pupils. Programmes have, or are being, developed for both secondary and primary education as well as Enterprise Business Partnership Challenge days.



4. The Environment

4.1 LAND MANAGEMENT

The main source and focus of land management during the year remained Blithfield Estate. On May 18th, 2008 Natural England confirmed Blithfield had been accepted into their High Level Stewardship Scheme thus commencing a 10-year agreement for a land management programme covering a wide variety of conservation and sustainability initiatives. Through the scheme, activity will take place to create and enhance habitats for birds such as wigeon and snipe, extend native hedgerows in order to provide food and cover for a number of wildlife species, manage the reservoir shoreline by the control of reed beds and grass margins and, very importantly, assist with the introduction of public access around specified areas of the Estate. The Stewardship not only provides a land management plan, but also provides the opportunity for the application of grants to enable the work to be carried out.

In early 2009, four compost toilets were constructed at various locations on the Blithfield Estate replacing outdated chemical loos used by recreational groups such as anglers and bird watchers. Other sustainability initiatives included the thinning of several tree plantations in accordance with woodland management plans and the clearance of bracken and brambles to encourage the growth of bluebells and other ancient woodland trigger plants. Looking forward, the next 12 months will see the opening of three permissive walks, the planting of a wildflower meadow and the construction of two new bird feeder stations.

Elsewhere on our land, there continues to be an effective grounds maintenance programme that is sympathetic to the local environment and takes into account any special features or plant life. Controlled open access for walking and bird watching operates at six of our source station sites as well as also accommodating pre-arranged group and educational visits.

4.2 EFFECTIVE WASTE MANAGEMENT

We currently segregate as many waste streams as possible in order to minimise the amount we send to landfill. The extent of segregation increased by 50% in 2008 reducing our landfill waste from 1,248m³ per annum to 832m³ at Head Office alone. Items segregated include: cardboard, office paper, plastic cups and bottles, printer toner cartridges, all batteries, wood pallets, used tyres, oil, drink cans, clinical waste, used florescent tubes, sharps and scrap metal.

A major source of waste from the water treatment process is sludge. Approximately 16,000m³ of sludge from our two principal treatment works is disposed of annually by being used as a soil conditioner on local farms. Spreading the sludge, that otherwise would go to landfill, is not only of environmental benefit but also results in lower carbon emissions due to the shorter distances lorries have to travel to the nearby farms. Disposal of spoil from excavations remains a key activity. During 2008 around 10,000 tonnes went for recycling compared to just over 11,000 tonnes to landfill. It is planned in 2009 to undertake a full review of the disposal of spoil from main laying activity in order to evaluate the purchase of our own re-cycling equipment in order to reduce further the amount sent to landfill.



Bracken and brambles have been cleared to encourage the growth of bluebells and other ancient woodland trigger plants

“Meeting our target for an economic level of leakage is always amongst the high-level business objectives set each year.”

4.3 ENVIRONMENTAL IMPACT

We are very aware that excessive extraction of water from both river and groundwater sources can create major adverse impacts on the local environment. In many areas there is a delicate balance between the amount of water abstracted and the amount required to support water-based ecology and other activities such as navigation, recreation, and fisheries.

We accept that in some cases the balance between abstraction and other water uses (particularly the environment) could be improved by reducing abstraction or by implementing local flow alleviation schemes. Therefore, we are working with the Environment Agency (which authorises us to extract water) and Natural England to investigate areas of concern and are committed to making changes where there is clear evidence of impact and where the costs and benefits are supportive of this work.

A main factor is reducing water usage by both our domestic and commercial customers. To achieve this aim, we operate a number of “use water wisely” initiatives that provide customers with information on how much water they use and ways of reducing consumption. Leaflets on water use in the home, garden and in business are all available in both hard copy and on our website. The “use water wisely” message is also targeted at schools through various educational programmes we run.

A key policy, which will reduce the amount of water we pump, is the introduction of “change of occupier metering”. Greater meter penetration will lead to more effective development of tariffs in the future to demonstrate the value of water to customers through price signals. Research with our customers has shown that most agree that meters are the fairest way to pay for water but they have concerns over affordability. We understand these concerns and will work hard with the regulators and customer groups to ensure that appropriate protection is provided for vulnerable customers.

Alongside the new metering programme, we will refocus and reinforce our activities in the area of water efficiency to provide our customers with the information they need to make informed decisions about using water wisely.

Finally, meeting our target for an economic level of leakage is always amongst the high-level business objectives set each year. Leakage impacts upon the environment in a number of ways as it represents water produced but not consumed. This results in both unnecessary extraction and an increase in the amount of energy used to pump water in to the supply. We are planning to continue to meet our sustainable economic level of leakage of 74.4 MI/d over the next five years.

4.4 ENERGY & CARBON MANAGEMENT

We are extremely conscious of the harm and damage that carbon emissions have on the environment. Following the introduction of the term the ‘3Cs’ (carbon, customers and cost) at the start of the year, a new emphasis is being placed on how we can minimise our carbon footprint and in turn reduce the harmful effect we have on the environment. This new emphasis runs throughout the business from top to bottom; directors, managers and employees all have key business objectives set against the background of the 3Cs, not least of which is our attention to carbon. The 3Cs is encapsulated into our business plan, which is summarised and issued to every employee in pamphlet form at the beginning of the financial year. This document not only covers what has been achieved in the previous 12 months, but looks forward to the next 12 months, focusing on key objectives for each of the three elements. These objectives are reviewed, monitored and reported to the Board on a quarterly basis throughout the year.

In excess of 92% of the energy we use drives pumps to distribute water through our network. We are acutely aware that, due to the topography of our area of supply, we need to consume a vast amount of energy. Through concentrating on maintaining pump efficiencies and



Meeting leakage targets helps reduce impacts upon the environment in a number of ways as it represents water produced but not consumed.

“We are active members of a number of industry groups where new technologies are discussed and best practice experience exchanged.”

utilising our most energy efficient sources of supply, combined with tariff management, we are beginning to make meaningful in-roads into reducing out total energy consumption.

Through the continued monitoring and management of our energy usage we have been able to maintain our position of running the majority of our source and booster stations more efficiently than the industry average. Through the effective management of our use of electricity we are energy accredited by the Energy Institute until 2011. Energy audits have revealed that still greater efficiencies can be achieved in the areas of heating and lighting at all our offices and stations.

An innovative way forward to addressing the problem of carbon production is by looking for opportunities to develop renewable energy for use at our major source and treatment stations. There is the possibility of developing a wind turbine at our primary source and treatment works at Hampton Loade on the river Severn. The feasibility study is complete and the economic case is now under consideration. If it is decided to proceed further a planning application will be made in conjunction with full public consultation.

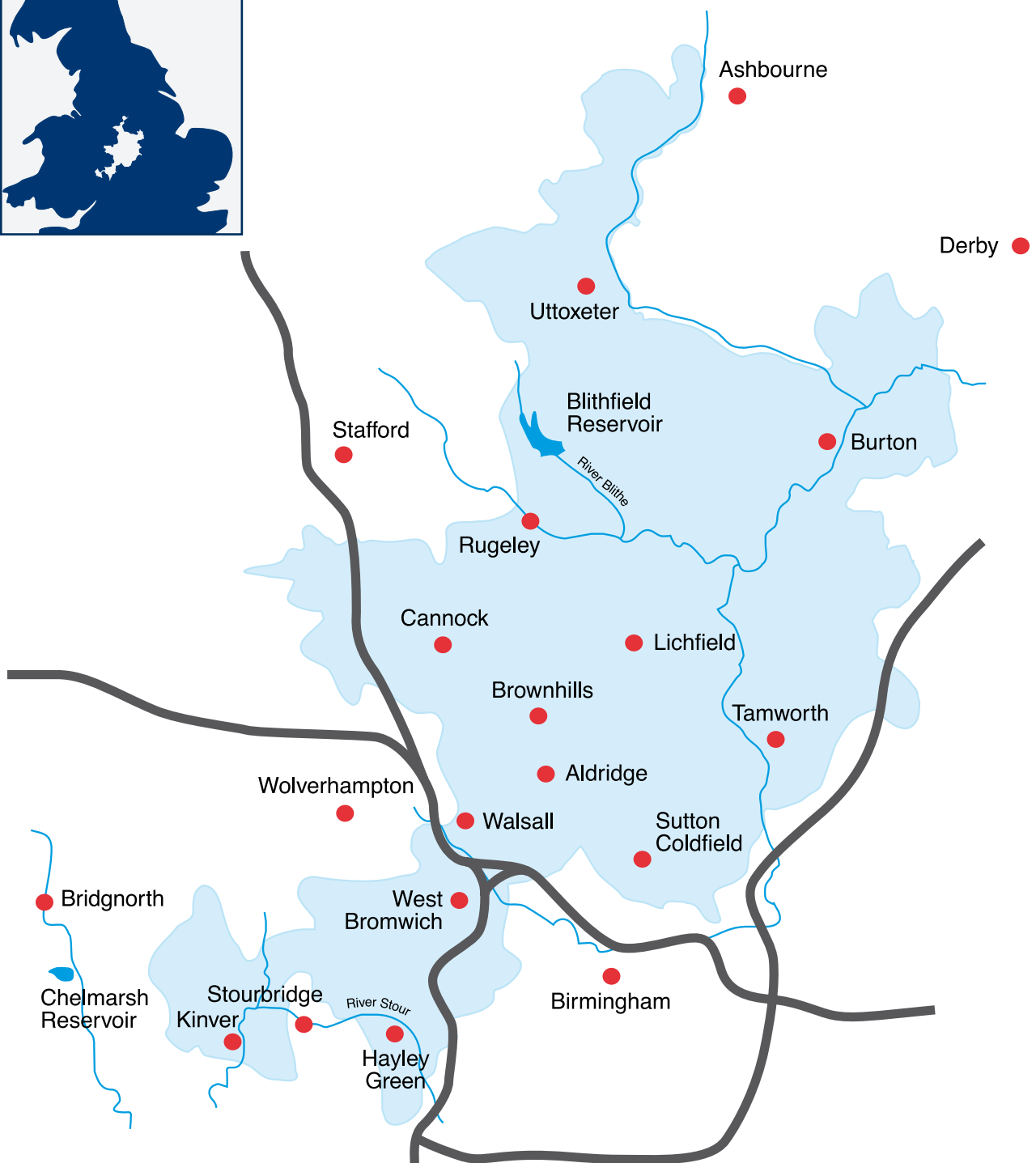
Running a fuel-efficient transport fleet remains a high priority as an area for reducing our carbon emissions. The opening of the new Fleet Service workshops has provided additional opportunities for monitoring vehicle fuel usage, targeting fuel in-efficient vehicles for either remedial repairs or driver training as necessary. By working closely with manufacturers we are able to adopt a procurement policy that enables the purchase of the most efficient vehicles for the job they are required to do. As a result of these, and other existing transport initiatives, we have been able to maintain our “Green Fleet Management” award issued by our insurers. It is intended to run a feasibility study into the use of rapid response motor scooters for use by our field staff, the intention is to avoid idling in traffic queues, reduce fuel consumption and provide a faster, more effective, customer service.

The Company car policy has been revised and now gives incentives to employees to choose smaller lower emission vehicles. It is anticipated the adoption of a fuel-efficient car will attract both tax and financial benefits offered by the Government and us in order to encourage a greater take-up. Already we have invested in the provision of three fuel-efficient pool cars to reduce the business mileage undertaken by many of our staff.

The forthcoming legislation on carbon reduction will further challenge us to reduce our carbon emissions. This gives the potential to earn a bonus if emissions are reduced and so will strengthen the justification for undertaking projects that save energy. Also, we are active members of a number of industry groups where new technologies are discussed and best practice experience exchanged.

Our employees are encouraged to consider and adopt more effective and efficient ways of working, not only from a cost reduction point of view, but also from that of reducing our carbon footprint. For instance, all photocopiers are being set for double sided printing; we have adopted SMS texting to reduce the number of site visits; we promote the wider use of video conferencing facilities to save on journey time and fuel; employees are required to utilise our highly economical and fuel efficient pool cars for business journeys; and we have adopted a suggestion to purchase recycled materials for hard core backfill. Every little helps when added together.

5. Our Supply Area





South Staffs Water

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