

Wessex Water Services Limited – Case Study

About the company

Wessex Water is the regional water and sewage company providing water supply and sewerage services across an area of the south west of England covering 10,000 square kilometres including Dorset, Somerset, Bristol, Bath, most of Wiltshire and parts of Gloucestershire and Hampshire. The company supplies drinking water to around 1.2 million people in 513,000 properties and sewerage services to 2.5 million people. Wessex Water was formed as a privatised company in 1989.

Nearly 80 per cent of water supplied comes from groundwater sources in Wiltshire and central west Dorset. The other 20 per cent of our water comes from 12 surface water reservoirs fed by streams and rivers.

For the financial year 2001/2, turnover was £266.8 million and profit before tax £84.3 million.

Sustainable development policy

Wessex Water aims to provide high quality, sustainable, environmental and water services and to become a truly sustainable water company by integrating sustainability into all parts of the business.

Sustainability is an idea of huge significance. If the Company wishes to continue its activities indefinitely it needs to encourage activities that:

- Enable all people to reach their potential and improve their quality of life, at the same time as
- Protecting and enhancing the Earth's life support systems such as clean water, productive soil, a rich variety of wildlife and balanced climates.

Wessex Water aims to:

- Continue its commitment to becoming a sustainable operation. This means providing customers with high quality products and services in ways that enhances the environment.
- Conserve and protect the environment and to operate in a socially responsible manner.
- Do all it can to comply with directives, consents and codes issued at European, national and local levels.
- Improve working practices as and when new technology becomes available.
- Seek to design, operate and maintain our equipment to the highest practicable standards in order to meet out environmental objectives, employing the principle of BATNEEC - the best available technology not entailing excessive cost.
- Apply strict quality controls.
- Improve the environment through the services it provides wherever possible.
- Involve the public wherever possible in its work, liaising with local groups and individuals where operations may affect them.
- Install plant and equipment and design capital work that blend as sympathetically as possible into the surrounding landscape.
- Be fully prepared to cope with operational emergencies that might affect the environment.
- Give shareholders a good return on investment.

Drivers for the policy

- The environment is one of the drivers for development in the South West and Wessex Water wants to play an active part in maintaining and improving that environment.
- As use of a natural resource forms the core part of Wessex Water's business, the need to use and manage this resource in a sustainable manner is clearly important.
- Wessex Water is subject to statutory obligations in terms of its environmental performance and levels of customer service. The performance of the water companies in these areas is also publicly reported by OFWAT, which raises the level of public interest in how the privatised water companies perform. Wessex Water needs to operate in an environmentally and socially sustainable manner whilst remaining profitable.

The practice

- Forum for the Future, a not-for-profit charity promoting sustainable development, has worked with Wessex Water since 1996 to help Wessex Water identify and meet the various challenges of becoming a sustainable operation.
- Wessex Water is one of 16 organisations piloting Project SIGMA, a sustainability management system launched by the Department of Trade and Industry. The aim is to develop plans within sustainability criteria and test their success against sustainability targets.
- The new operations centre at Claverton Down, opened in August 2000, has been hailed as one of the greenest offices in Europe. It is a symbol of the company's commitment to sustainability. Over 500 people work there. Key features of the building include natural ventilation, lighting controlled by movement and outside light levels, solar power for water heating and the collection rainwater for lavatories. At ground level it is almost invisible. A community room is available for use by school and community groups.
- The company is working to increase the share of energy use from renewables to 20% by 2005.
- A green transport plan has been developed for the new offices at Claverton Down to reduce car use and promote public transport.
- The company produces a full set of environmental accounts.

The Wessex Water Biodiversity Action Plan

WWBAP involves three components:

- Management of company land: an ecological database has been established and a standard conservation lease drawn up to encourage wildlife organisations to take up tenancies and improve access.
- Minimising the effect of new development: Care is taken not to disrupt wildlife and where possible enhance biodiversity.
- Partners Programme - funding for wildlife organisations: Funding has focussed on 12 priority species and 6 priority habitats.

Customers

- Wessex Water meets local demand for water meters and actively promotes water efficiency through pipe repairs, cistern devices and water audit packs for customers.
- In addition to its customer feedback and customer service units, the company runs a community contacts service which comprises a mobile unit that travels to 26 towns each month. This is mainly intended to benefit rural areas.
- The company provides education resources for schools as well as running 7 educational field centres in the region. In terms of "social investment", the Wessex Watermark is a grant scheme awarded by Wessex Water for environmental projects in the region. The company also contributes to a number of other charitable and community causes.

Employees

- Wessex Water is committed to improving staff skills. Wessex Water has introduced personal development plans for all staff, which focus on improving each individual's existing skills to meet the changing needs of the company and guide the appraisals, which review progress over the year. Wessex Water also has a dedicated training centre, and offers around 200 computer-based training courses for staff.
- The green transport plan at the new offices encourages the use of public transport. Bespoke bus services, equipped with cycle racks, transport staff to work from the city centre and a park and ride facility. Cycle facilities at the operations centre, pay incentives for using rail and relocation benefits have helped to minimise car use. Overall, the transport issue emphasises the need for flexibility in terms of work location and the types of transport used. While this is not a straightforward issue, most staff have met the challenge

Business costs and benefits

1. Wessex Water has identified that requirements by government regulators for higher water quality and environmental standards will require a high level of spending on environmental improvements over the next five years. The ability to be able to plan ahead long-term and

focus on making sustainable investments but with due regard for profitability is a key benefit for Wessex Water. Wessex Water is currently in the position where it is meeting statutory obligations whilst remaining strong as a business.

2. Wessex Water's performance in terms of its interaction with the environment and customer service is publicly reported. By committing to become a sustainable operation Wessex Water receives both a boost to its company image and real benefits in terms of improved performance.
3. Wessex Water must meet statutory obligations for environmental improvements, investments and performance, which can prove a burden on the profitability of the business. Wessex Water's commitment to sustainable development has had a positive effect on its perception by customers, with market research carried out by Wessex Water indicating that 75% of customers would prefer to see further investment in the environment rather than reductions in bills.
4. OFWAT reports show that Wessex Water is one of the most efficient water and waste water operators in England and Wales. This is due to a number of factors, including increased workforce skills, implementation of environmental improvements and other initiatives resulting in cost savings and waste minimisation.
5. Through its numerous community initiatives, Wessex Water has an increased standing within the community, important for a supplier where its customers have no choice of which water service provider to use and therefore perception of Wessex Water is based on more than just price.

The future

Through its commitment to improving employee training and welfare, Wessex Water is likely to have a workforce that is adaptable and meets its business needs, feel a sense of company loyalty and are motivated with good job satisfaction.

The application of the sustainable practices already being used at Wessex Water will help develop the business globally:

- in terms of making the right investments and decisions i.e. those that are sustainable,
- through a company image i.e. not a company that has had to belatedly embrace the principles of sustainable development but one that already operates by these principles.

Further information

For more information about Wessex Water see the website <http://www.wessex-water.com>