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OUR STRATEGY IN BRIEF

The 5.4 million people who live in Yorkshire and the millions of people who visit Yorkshire each year rely on our services for their basic health needs and lifestyles. 140,000 businesses use our water to provide goods and services that support the economy, not just of Yorkshire, but the whole of the UK.

This document sets out Yorkshire Water's strategy for the decades ahead of us. We've not developed this in isolation, but have looked closely at the future economic, social and environmental issues which Yorkshire faces and spoken at length to our varied and diverse customers and stakeholders.



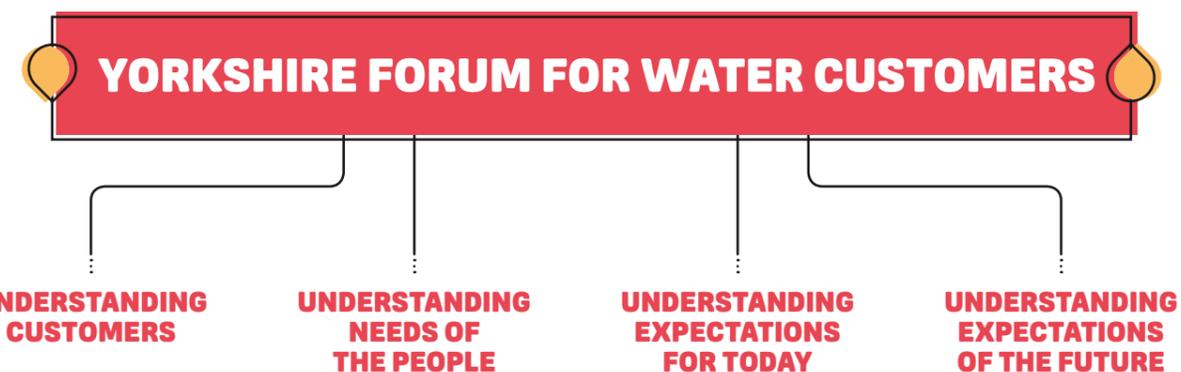
We've taken care to analyse the pressures we face such as population growth and changing weather patterns and to understand the rich and diverse community that we serve here in Yorkshire. We've looked at how that community is made up now and how that will change in the future.

We set out to better understand what people value in their lives and the role water plays in that. We've investigated how customers with different lifestyles rely on water in different ways and we've looked at how some people are much more dependent on their supply for a range of religious or medical reasons.

We have also taken a step back and thought about how we, as a company, impact on Yorkshire's environment, its people and economy as we carry out our activities.

We have asked where we can do better to improve what we do, how we do it and how we can work better with others to make sure that the people of Yorkshire get the best all round value for what they spend on water. We have also realised that people need to have trust in our ability to serve them now and into the future, whatever the conditions, and that they want to be able to trust in us.

As well as talking directly to thousands of our customers about what they want and need from us, we've also engaged with the Yorkshire Forum for Water Customers, which has given us valuable insight into what our customers want from us now and into the future. The Yorkshire Forum for Water Customers is an independent challenge group that is responsible for ensuring our customers' views are fairly reflected in our business plan and ensuring we meet the performance commitments we have made to customers.



Research into customer lifestyles and analysis from data.

Research to understand customers with special water needs.

Research on customer satisfaction with service and value for money.

Research into customers' hopes for the future.



CUSTOMER RESEARCH AND ENGAGEMENT PROGRAMME

We have carried out extensive research, using new and innovative methods alongside tried and trusted ones.

We have worked with customers and stakeholders in lots of different ways including research projects, monthly customer trackers, focus groups, round table events with our directors, stakeholder briefing sessions and new ideas like the Hull and Haltemprice Charrette. In the Charette we engaged with various customers and stakeholders to collaboratively design a vision for future flood alleviation schemes in Hull.

We have created an online community which has over 1000 customers in it who regularly comment on and take part in research on a host of different subjects related to topics like customer service, reporting, our plans for the future or even just the way in which we communicate with them.

This engagement, alongside our regular interactions with customers and stakeholders has given us a much improved insight into the diverse and changing needs of our customers and stakeholders.

THIS IS HOW YOU HAVE HELPED SHAPE OUR STRATEGY:

1. Understanding your perceptions of our service
2. Identifying what services have the greatest value to you
3. Determining your long-term aspirations, helping us create our five big goals
4. Understanding your own personal needs and wants from our services
5. Understanding the priorities of Government, regulators and customer representative bodies, such as the Consumer Council for Water, Citizens Advice and the Alzheimer's Society

OUR ENGAGEMENT ACTIVITIES HAVE TOLD US THESE ARE OUR CUSTOMERS' MAIN PRIORITIES:



They want a secure supply of drinking water and for any service failures by us to have a minimal impact on their lives



Customers expect us to lose much less water in leakage



We are expected to prevent sewage escapes damaging homes and the environment



They want us to help prevent flooding



Customers expect us to keep our bills affordable

OUR 5 BIG GOALS:

The strategy sets out five big goals which are our top priorities over the long term. We have shaped and agreed these goals with our customers and stakeholders based on our analysis of future pressures and opportunities. We show just how strong the support is for each goal below - over 90% of surveyed customers confirmed their support for each goal.

The strategy explains how we are going to achieve these goals, with much more detail in our new five year plan which you can find on our website at www.itsnotjustwater.co.uk

- 1. CUSTOMERS:** We will develop the deepest possible understanding of our customers' needs and wants and ensure that we develop a service tailored and personalised to meet those needs. **94%**
- 2. WATER SUPPLY:** We will always provide you with enough safe water, we will not waste water and always protect the environment. **96%**
- 3. ENVIRONMENT:** We will remove surface water from our sewers and recycle all waste water, protecting the environment from sewer flooding and pollution. **95%**
- 4. TRANSPARENCY:** We will be a global benchmark for openness and transparency. **92%**
- 5. BILLS:** We will use innovation to improve service, eradicate waste and reduce costs so no one need worry about paying our bill. We will not waste money. **95%**

WE'LL REGULARLY SHARE OUR PROGRESS AND CONTINUALLY ENGAGE TO HEAR YOUR FEEDBACK TO SHAPE OUR APPROACH.

Signed on behalf of the members of the Board of Yorkshire Water

HOW YOU HAVE SHAPED THIS STRATEGY

Here are the headlines of what you said about the draft strategy we published in Spring 2018 and how we are responding.

1. OVERALL STRONG SUPPORT - There was very strong support from customers and stakeholders that our strategy feels right and is focused on delivering your priorities of us.

2. THE RIGHT BIG GOALS - There was very strong support for our five big goals so we have not changed these. Some suggested that we need to be clear about what we mean in our Transparency goal, and that we need to reflect all of our environmental roles in the Environment goal. We agree and, both in this strategy and more generally, we will make sure we communicate carefully and clearly on these matters, including tangible measures of our action and performance.

3. MORE ON THE ENVIRONMENT - Some people highlighted that our draft strategy did not reflect the challenges facing the natural environment on which we rely, and the variety and importance of our roles in helping protect the environment. They thought we should be more ambitious here. We agree and we have revised our strategy in this area.

4. TOO LONG AND TOO SHORT - Customers felt our strategy was too long for them, whereas some colleagues and stakeholders wanted more detail. We will publish a summary of our strategy for customers and we have published much more detail in our five year plan and the many documents that support it.

5. THE TITLE - Colleagues felt the title of our draft strategy 'Not just water' could be taken as a little negative. That was not our intention and we'll soon be using this phrase to the positive through a new communications campaign that will highlight the wide range of value we add to people and the environment. Look out for more on this soon. You'll also find some other changes in response to your feedback, including our need to bring to the front of the document the context of what we do and to be clear about how director pay is determined and linked to performance.

WE KEEP OUR STRATEGY AND BIG GOALS UNDER CONTINUAL REVIEW AND WE'LL UPDATE IT OVER TIME IN RESPONSE TO LATEST FEEDBACK AND THE CHANGING WORLD AROUND US.



WHAT WE DO

We provide water and waste water services to the people of Yorkshire. To do this we collect 1.3 billion litres of raw water from the environment every day. We use energy and chemicals to treat the water so that it is safe to drink. To get the water to where it is needed we use gravity where we can but we also have to use energy to pump it through 31,600km of pipes.

We collect and treat about 1 billion litres of waste water from homes and businesses (and rainwater that goes into the 31,000km of sewers) every day as well. To do this we also use chemicals to help the treatment process and energy to run the treatment plants and pumps.

To deliver our services to you we currently employ 3,500 people and have a large fleet of vehicles

and other equipment so that we can look after all our pipes and pumping stations that deliver water and waste water services for Yorkshire.

We also own a lot of land, in fact we are Yorkshire's second biggest landowner, we own a lot of moors and upland to safeguard the quality of the water that is captured in our reservoirs.

Where we don't own the land that is the source of Yorkshire's drinking water, we also work with farmers, tenants and land owners to protect and improve raw water quality.

Over the last 25 years we have invested £8.5 billion of capital investment into our land, pumps, pipes and treatment works.

Our customers and stakeholders tell us that they are happy with the improvements we've delivered over the last 25 years, and we want to make sure we keep doing the things that matter to them whilst improving the parts that should be better.

In Yorkshire, we now have one of the most flexible and resilient water supply systems in the world, delivering quality drinking water to millions of homes and businesses every day.

Since 1995, when we experienced a period of drought, we have developed an extensive underground network of pipes that lets us move water to where it's needed most. We call this our

grid management system. Since we developed the grid, during periods of low rainfall, we have had the ability to move water around Yorkshire to where it is needed. The grid has also made us very resilient in cold weather. In the winter of 2010, despite record levels of pipe bursts caused by the extreme cold we could move water around Yorkshire to places it was needed.

Our rivers and beaches are cleaner than they have been for 50 years. Yorkshire's rivers are now supporting delicate ecosystems that have recovered as the water quality has improved. Our wastewater treatment works treat waste water to higher standards than ever before. This has supported the recovery of our rivers, with iconic species like salmon starting to return to the Rivers Don, Rother and Aire.

We are not complacent and we aim to build on this recovery, working in partnership to create rivers and catchments that are healthier and provide wider benefits for our customers.

We have a part to play in reducing flooding in our region. Yorkshire has experienced repeated wide scale flooding, notably in 2007, 2011, 2012 and 2015. We continue to work in partnership with local agencies to understand the effect our sewer network has on flooding and to reduce its impact. We know that there is still more to do.

Three decades ago the River Don in Sheffield was one of the most polluted rivers in Europe. Our aspiration is to see salmon swimming through the centre of Sheffield once more. In partnership with the Don Network, a coalition of environmentally passionate people with an interest in the river and its surroundings, we've undertaken an innovative and engaging programme of work to improve water quality along the entire length of the river – from its source high on the moors above Sheffield to its confluence with the River Ouse in Goole.

WHAT WE DO

We provide essential water and waste water services to the people and businesses of the Yorkshire and Humberside region, playing a key role in the region's health, wellbeing and prosperity.



Collecting, treating and supplying around **1.3bn litres** of water every day



Investing over **£1m every day** to maintain and enhance Yorkshire's network of water pipes, pumps and treatment works



Managing **28,000 hectares of land** to protect water quality & enable recreational opportunities



Managing **£1bn of water bills every year** and providing customer service when it's needed



Collecting, treating, and safely returning to the environment **1bn litres** of water every day



Recycling nutrients and generating energy from leftover human waste



All delivered by around **3,500 employees** using a fleet of over **2,000 vehicles** and increasingly complex technology, delivering for today and planning for the long-term

We're one of Yorkshire's biggest land owners

We collect water from three main sources

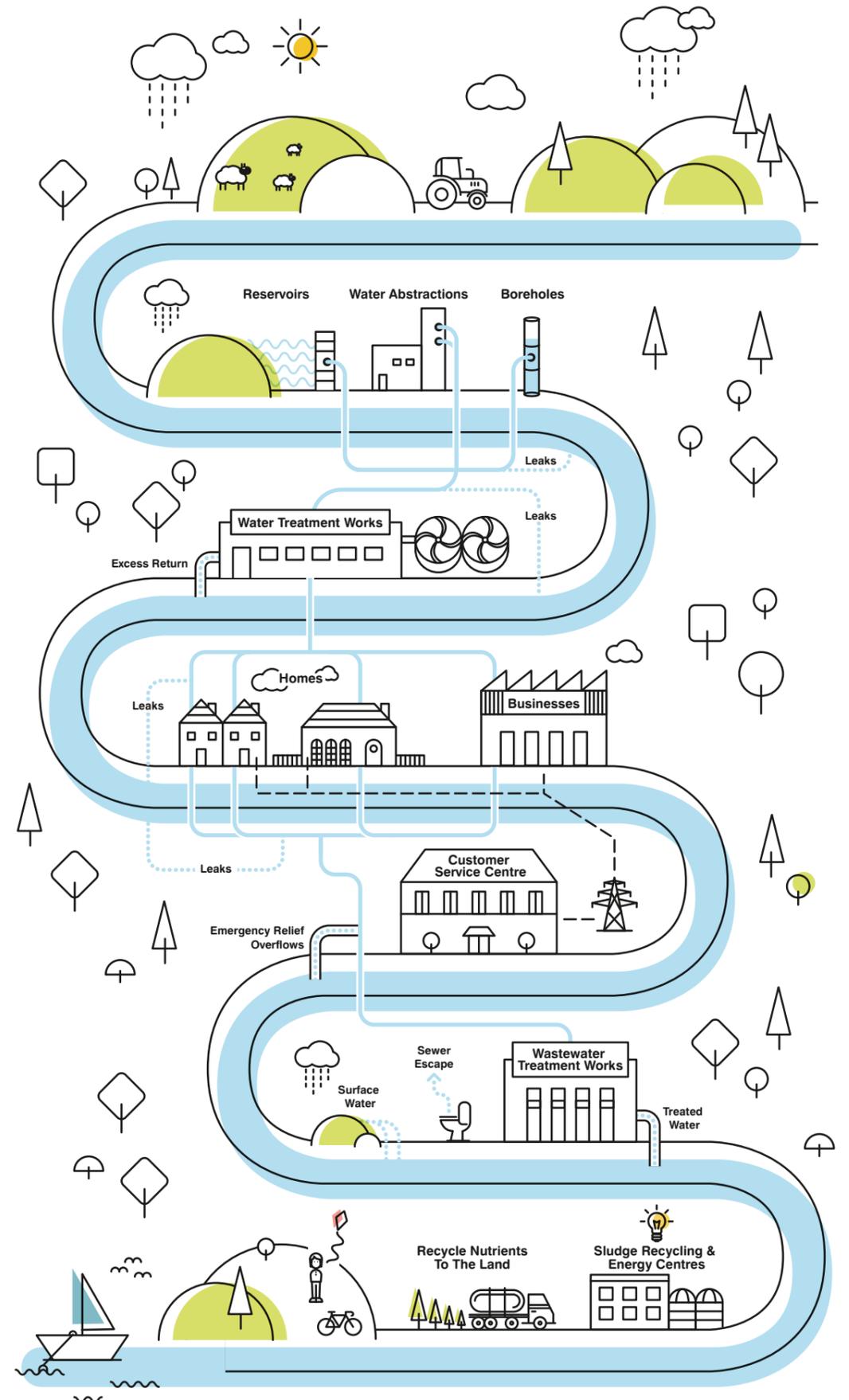
We manage 671 water and wastewater treatment works

We supply water to homes and businesses across the county

Our customer service team support our 5 million customers

We collect 1 billion litres of waste water every day

We safely return water back into the environment





YORKSHIRE'S PROFILE - ITS PEOPLE

A GROWING POPULATION

Our research tells us that there will be many more people in Yorkshire as we move into the future. The population has increased sharply over the last 35 years and is expected to keep growing. Yorkshire households are predicted to increase by 30% by 2033, with a third of that growth coming from an increase in single person households.

This will have an impact on our services, as we will need to meet the needs of more people in the future.

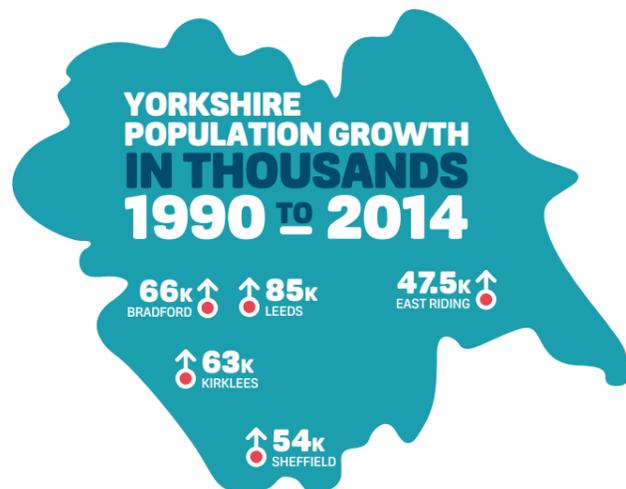
We need to meet the demands of a growing population without increasing our impact on the environment and without impacting on people who are struggling to pay their bill. To do this we need to find new ways of managing increasing demand for water and waste water services.

OUR CHANGING COUNTY

We need to be sure that we can continue to provide our services into the future. To help us do this we work with experts to understand what the population of Yorkshire will look like in the future. The population of Yorkshire is likely to increase by around 1 million people by 2045. We need to make sure that we have plans in place to meet the needs of a growing population whilst keeping our bills as low as possible.



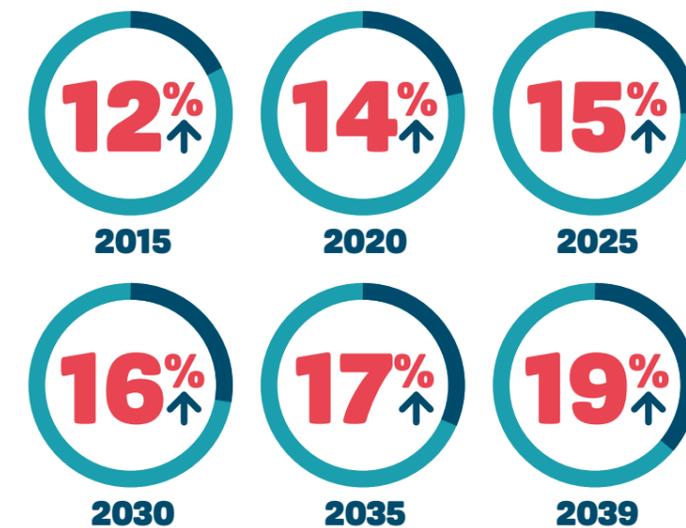
We also understand that the population is likely to grow more in the towns and cities than in the countryside. To plan properly we need to understand where population growth is most likely to occur.



WE ARE LIVING LONGER

To make sure that we meet the needs of our varied and diverse communities we also try and understand who lives in Yorkshire so that we can make sure they have access to the services they need from us.

WHAT WE DO KNOW IS THAT PEOPLE ARE LIVING LONGER. THE BELOW DIAGRAM SHOWS % OF YORKSHIRE POPULATION OVER 70 YEARS OLD.



So what does this mean to us? We want to do things differently to meet the needs of a growing population. Rather than abstracting more water, we will use innovation and technology to help us massively reduce leakage. We're also working with big industrial water users to find other sources of water to use where drinking water is not needed. This means that the same amount of high quality drinking water we produce now, can meet the needs of more people - keeping bills low for everyone.

Source 1: Office of National Statistics, Population estimates
Source 2: Office of National Statistics, Population estimates - local authority based by five year age band, 2016
Source 3: Office of National Statistics

**YORKSHIRE
CUSTOMERS
ARE VARIED
AND DIVERSE**

THE CHARACTERISTICS OF YORKSHIRE CUSTOMERS ARE VARIED AND DIVERSE

Whilst water is important to the day-to-day function of all households in Yorkshire, a disruption to our water supply however could be critical to some of our customers.

We set out to better understand what people value in their lives and the role water plays in that. We've investigated how customers with different lifestyles rely on water in different ways and we've looked at how some people are much more dependent on their supply, perhaps for religious or medical reasons.

WE UNDERSTAND THAT PEOPLE IN DIFFERENT TYPES OF CIRCUMSTANCES HAVE DIFFERENT NEEDS OF US. SO, IT IS IMPORTANT WE IDENTIFY THIS QUICKLY AND PROVIDE TAILORED SERVICES AND A LEVEL OF RESILIENCE TO MAKE SURE THOSE SERVICES ARE NOT INTERRUPTED. FOR EXAMPLE:

- A changing demographic will often mean customers spend more time at home, increasing water usage and making them more reliant on supplies.
- People with many long-term health conditions rely on water for treatment and medication. Access to regular washing and cleaning is also more important in these circumstances.
- Around 20% of people in Yorkshire have a disability or life-limiting long-term health condition.¹
- Economic conditions and small or no growth in wages mean that customers can be vulnerable to financial pressures and at risk of arrears.
- In 2016, there were an estimated 308 people of a pensionable age for every 1,000 people of a working age. By 2037, this is projected to increase to 365 people.²
- Some religious practices are heavily dependent on clean water.

THIS INSIGHT SHOWS US THAT WE NEED TO

- Know our customers and their specific needs.
- Tailor our services even more than we do now.
- Be aware of the impact of our services on customers' lives.

Our colleagues have millions of interactions with the people of Yorkshire each year. We take our role in society seriously and are committed to playing our part in safeguarding our colleagues and those we meet.

Protecting those at risk relies on early intervention. Our dedicated Safeguarding Officer is leading our partnerships with local authorities, charities and the police to empower our colleagues to report safeguarding issues. We intend to lead the way in raising awareness of these risks and showing how businesses can play a part in protecting those who are most vulnerable.

There is a lot that we already do to provide specific services, for example by providing Braille bills, and our Resolve and Water Sure support schemes. However, when we look at the numbers of people who may need some additional support it doesn't match what we would expect to see when we look at national statistics about people who have specific needs or may be struggling to pay their bills.

We want to know the people living in Yorkshire better so that we can be sure we offer and deliver what is needed to provide a much more inclusive service; reaching more people who need help and support.

We are forming relationships with local charities and organisations who can provide us with a much more detailed picture about people. We will do this either through data sharing or by working with them to open up a communication channel to people we haven't previously been able to talk to. This will develop the services we offer so that we know they are effective.

Our improved customer knowledge will allow us to better plan for emergencies, arrange planned disruptions to our services in specific areas around customers needs such as religious holidays and ensure we are supporting all the communities in Yorkshire.

¹Papworth Trust, Disability in the United Kingdom 2013, Facts and Figures
²Office of National Statistics

TAILORING OUR SERVICES

We now have a detailed picture of the diverse communities and cultures that we serve.

We have had conversations with our customers and they've told us about their specific needs and how we can tailor our services to meet them better. We will continue this conversation with our customers to make sure that we never lose sight of what people want or need from us, or the impact we have on the people of Yorkshire.



YOUNG FAMILIES

Having to use bottled water if supplies are interrupted causes problems for families with young children who need to be bathed - many would be worried about heating it up to the right temperature. This also applies to parents of very young children as making up baby formula with bottled water is not recommended.



MANUAL WORKERS

Customers who have more manual occupations have told us that it's important for them to be able to shower, particularly in summer, after a physically demanding day at work.



CARERS

If a customer is caring for someone, an interruption to the water supply can cause real problems with things like administering medication, cleaning and washing.

Providing bottled water in these situations does not solve the problem.



UNDERSTANDING SPECIFIC NEEDS

For some customers the worst aspect of an unplanned disruption would be the psychological and emotional impact of an unexpected cut-off and the disruption this would cause. It could be particularly disruptive for those who need particular types of care as it can often be very important to maintain a set routine. Plus the shock and uncertainty of a situation could cause anxiety which could exacerbate some conditions.



RELIGIOUS COMMUNITIES

Our understanding of our communities allows us to understand the impact we can have on cultural and religious activities and celebrations. For example, water quality is essential for customers during religious or cultural events:

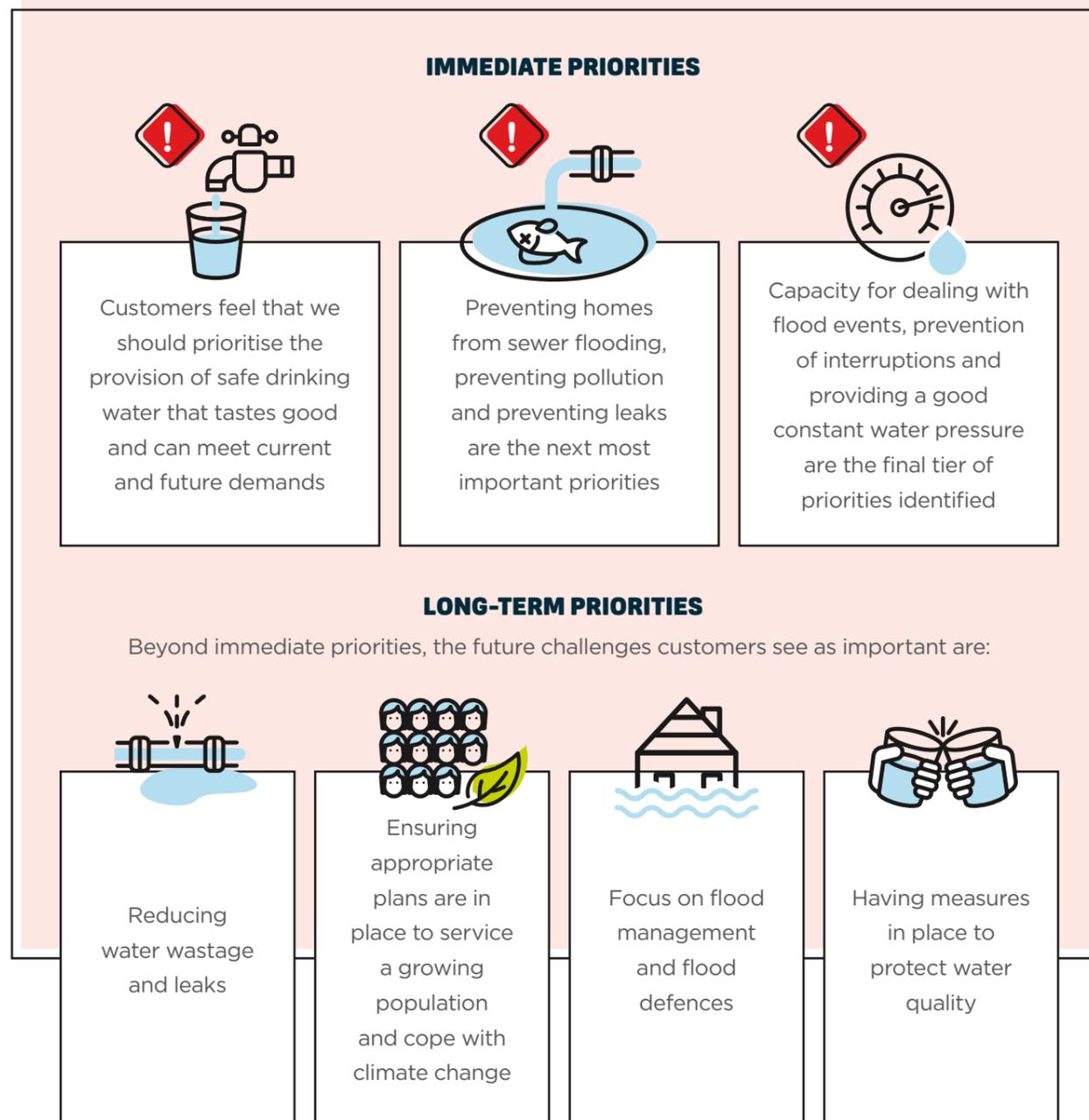
- Strict bathing practices prior to prayers.
- Availability of water at certain times during fasting periods.
- Water can be used as part of a prayer ritual.

Knowing the cultural and religious value of water enables us to understand how our services can have positive and sometimes negative impacts - we want to continue to improve our support of the diverse community we serve now and into the future.

We have talked with our customers about the things that worry them, now and into the future, in broad terms and in relation to water.

Our customers have a real concern about the future security of a safe, reliable water supply and how much this could cost. Water is an essential service and rising costs would cause customers anxiety, especially as they cannot choose a different supplier and have no control over the price. There is also a rising concern amongst our customers about the risk of widespread flooding in Yorkshire.

SUMMARY OF CUSTOMER PRIORITIES



WHAT'S IMPORTANT TO OUR YOUNG PEOPLE



The concerns of our customers reflect the challenges that we have identified; rising populations, changing weather patterns and the costs of the services we provide. We also know that our customers' expectations are changing - customers want to see a more tailored service, they want to contact us in a way that suits them and they do not want their lives and lifestyles impacted by our activities. We know that we need to think and act differently.

OUR CUSTOMERS HAVE IDENTIFIED

✦ **SHORTER TERM**

“I think the challenge facing Yorkshire Water at the moment is keeping prices affordable whilst investing in replacing old pipes and improving water storage.”

“I suspect the two current main challenges are how to fund the renewal of ageing infrastructure and extending that infrastructure to meet new demand without compromising services.”

“I think storing water is a major challenge to try and even out the demand on water throughout the year.”

“I think that the main challenges for Yorkshire Water at the moment are ensuring that they continue to provide a fairly priced water and sewage service combined with good customer service, particularly as their customers are in fact a “captive audience” as water charges are not optional.”

✦ **LONGER TERM**

“The immediate things that come to mind are the effects of global warming and issues with increased flooding in the country.”

“I think the main challenge going ten years down the line is ageing infrastructure and the cost of repairing.”

“The next ten years will bring increased demand and more extreme weather which could bring with it further problems, such as interruption in supply, mismatch of peaks and troughs in supply and demand, and modernising the network to cope.”

PRIORITIES FOR US

We all live in a fast-paced society where technological improvements are being made at an ever-increasing rate. We know that the people of Yorkshire will expect us to use these advances to ensure that we keep prices as low as possible for everyone and to enhance the experience of our service.

Our conversations with customers have helped us understand where people want us to focus our improvements when we ask them about specific parts of the services that we offer. They put an emphasis on long-term planning for water supply and water quality.

HERE'S A SUMMARY OF WHAT OUR CUSTOMERS HAVE TOLD US ARE IMPORTANT TO THEM:



We will use technology and innovation to reduce the amount of water that is wasted through leakage and to be able to deliver high quality water to a growing population, whatever extreme weather we experience.

We will to continue to work with others to protect and enhance the beautiful environment of Yorkshire and ensure that we protect raw water quality and do not harm the environment through our activities.

CUSTOMER EXPECTATIONS ARE CHANGING

We need to reflect how our customers want to receive our services. We want our services to be flexible so that we can tailor them to match our customers' needs. For example, some people wish to talk to us on the telephone to report a problem but other customers prefer to report and resolve problems online.

We will use innovative technology so that our services to our customers are delivered in a way they want. They will be able to choose how they access and pay their bill, how they contact us to report an issue and how we keep them updated. If our colleagues visit their homes, we'll make sure they are skilled to deal with any needs identified by the customer to make sure our service is accessible to them.

The Yorkshire Forum for Water Customers will help design our approach and review, challenge and input into our plans to improve how we support customers with specific needs using the expertise from organisations such as the Alzheimer's Society and the Consumer Council for Water.

Different groups of vulnerable customers all have different preferences with regard to communications. To reach out to all customers it is important to have a multi-channel approach to ensure that we meet everyone's needs.

Our multi-channel approach will move in line with our customers' expectations. In the last couple of years our offering has expanded to cater for this change. We now offer a free call back service where customers can pick a 10 minute slot for us to call them back at a time convenient to them. They can chat to us online or send us a message via Facebook or Twitter and we proactively send text messages to customers to warn them if there is disruption to their services.

No two customers are the same and suggestions made by customers as to the best way for Yorkshire Water to contact them varied greatly. We will make sure we cater for this now and into the future.



SOCIAL MEDIA



EMAIL



PHONE



TEXT



LETTER



FACE-TO-FACE



LIVE CHAT



YORKSHIRE'S PROFILE - ITS ECONOMY

WATER DEPENDENCY

As well as being a provider of essential services to Yorkshire, we make a significant economic contribution to the county. We currently employ 3,500 people directly across the county, including 145 apprentices. Indirectly, our contractors employ thousands of people and we have invested more than £3.8 billion over the last five years. We recognise, however, that our contribution and impact is broader than purely financial and are working on an innovative project to evaluate the total impact we have, looking at environmental and social measures as well.

To be sure that we have as full a picture as possible, as well as understanding our customers better, we have taken time to understand the economy of Yorkshire and how water is vital to supporting economic growth.

Everything that we buy and use needs water as part of its manufacture so we started by looking widely at how much water is vital to the worldwide economy.

WATER AND US

The diagram below shows how having a sustainable and resilient supply of water is essential to our way of life.



Looking at industry in Yorkshire we can see that there are different economic activities and plans across our region. We need to know about these so we can understand what we need to do to ensure that there is enough water not just to keep all the people of Yorkshire healthy but also to keep the Yorkshire economy healthy too.

HULL'S PORT COMPLEX IS THE 4TH LARGEST IN NORTHERN EUROPE

LEEDS IS FIRST OUTSIDE LONDON FOR FINANCE AND BUSINESS SERVICES



2ND HIGHEST PROPORTION OF MANUFACTURING JOBS IN ENGLAND

29% OF THE UK'S OIL IS REFINED ON THE HUMBER

£7BN TOURIST EXPENDITURE

Knowing how different parts of Yorkshire intend to grow their economies means we can be sure that our strategy supports economic growth and productivity. We need to ensure that the water that is needed is available, but we also know that not all the things we use water for needs high quality drinking water. We want to work with businesses to make sure that they have got the water they need now and in the long-term. To keep prices down we will use innovative ways to do this.

¹Papworth Trust, Disability in the United Kingdom 2013, Facts and Figures ²Water Footprint Network website, Product Gallery ³Energy Saving Trust ⁴Friends of the Earth ⁵Energy Saving Trust ⁶Energy Saving Trust

We have engaged with local councils to understand how each area of Yorkshire intends to grow its economy, the East of the region is focusing on renewable energy, Sheffield is focusing on technology and the North is concentrating on advanced agriculture.

Knowing this enables us to plan ahead and ensure that we can reliably provide the water services that our economy needs now and into the future. It's also important that we do this without impacting on the environment through the energy and chemicals used to treat and distribute water and take away waste water.

This is why we are working with some of the large industrial water users, companies that use water for things like cooling, to provide them with alternative sources of water.

As a company, we also add to the economy of Yorkshire through the people we employ and the goods and services that we buy. So, it's important that we are a responsible company, that treats its people and service partners well. It is also important that we contribute to wider Yorkshire society. We've already started this commitment and have supported The Yorkshire Festival and the Grand Depart 2014; principal partners of the Hull UK City of Culture 2017; and supporters of the Leeds European Capital of Culture 2023 bid.

THE ECONOMIC FUTURE IN YORKSHIRE

FOUR LOCAL ENTERPRISE PARTNERSHIPS COVER THE AREA:

LEEDS CITY REGION



“Our diverse towns and cities each have distinctive assets and opportunities, sit in some of the most beautiful landscape in the country, and are becoming increasingly well connected. From our position at the heart of the North, we will make full use of these assets in addressing long term challenges, unlocking opportunities and fulfilling the City Region’s exceptional potential. Our transformative vision is: To be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone.”

SHEFFIELD CITY REGION LEP



“Our plan takes advantage of our unique position as a key business to business supply chain, designer and manufacturer – while we have sector specialisms (especially in digital technologies, advanced manufacturing, engineering and materials), we have the flexibility for these to support many traditional sectors, from energy to motor vehicles, construction to retail. Our plan will accelerate this trend, building on our strengths in ‘foundation industries’, and hence restructure the economy towards such high value, knowledge and data led, business activities.”

YORK, NORTH YORKSHIRE & EAST RIDING LEP



“Our vision is to make York, North Yorkshire and East Riding the place in England to grow a small business, combining a vibrant business location with an enviable quality of life. Leading edge assets in the food manufacturing, agri-tech and bio-renewables sectors (the ‘bio-economy’) will establish a worldwide reputation and create thousands of new jobs. Offshore opportunities and a new potash mine in Whitby have the potential to tackle head-on the declining role of the seaside town and make the Yorkshire Coast – ‘The Opportunity Coast’.”

HUMBER LEP



“The ambition is to maximise the potential offered by the Humber Estuary, leading the Humber to become a renowned national and international centre for renewable energy and an area whose economy is resilient and competitive. We will continue to develop our strengths in key sectors, supporting our businesses to grow and helping our residents to access the opportunities they need to lead prosperous and rewarding lives.”

2.7m EMPLOYED IN YORKSHIRE



5.1% UNEMPLOYED

22% OF PEOPLE IN YORKSHIRE ARE ECONOMICALLY INACTIVE (RETIRED, LONG TERM SICK OR LOOKING AFTER HOME)¹

YORKSHIRE IS ONE OF THE MORE DEPRIVED REGIONS IN ENGLAND²

ECONOMIC GROWTH 2010 TO 2015 SECOND LOWEST OF UK NATIONS AND REGIONS³

23% OF ALL HOUSEHOLDS STRUGGLE TO PAY THEIR WATER BILL⁶

¹Office for National Statistics ²Office for National Statistics ³Nomis, Labour Market Profile, 2016 ⁴Wikipedia, LSOA deprivation data ⁵House of Commons, Regional and local economic growth statistics, 2015 ⁶creative research, Living with Water, 2014



Visit Langsett Reservoir, Yorkshire

YORKSHIRE'S PROFILE - ITS ENVIRONMENT

Yorkshire is a place of great natural beauty and part of our job is to make sure it stays that way. It is also a place where the water environment has been improving steadily over many years.

In the past, the urban rivers of Yorkshire suffered from poor water quality and lower numbers of wildlife habitats. Over the last 25 years this has improved, in large because of our investments in treating waste water. This has supported the recovery of our rivers, with iconic species like salmon starting to return to the Rivers Don, Rother and Aire.

We have also improved river flows by changing the releases from our reservoirs. By addressing

the historical and unsustainable flows below 15 reservoirs, we have improved the health of rivers across five river catchments.

Between 2015 and 2020 our investment in river water quality and flow schemes will improve the quality of the water in 440km of Yorkshire's rivers.

Despite the dramatic improvements in Yorkshire's rivers and coasts, we can not be complacent. There are growing pressures facing the air, land and water environment, and we can play an important role here. The quality of the water we take from the environment is deteriorating in many catchments because of pollution and unsustainable land management practices.

Wildlife continues to struggle and many native species are declining in numbers. The changing climate poses a substantial threat.

Working together and using innovative approaches, we can respond to these challenges to protect the environment and secure water resilience. By making the most of all our water sources and protecting the land environment, we can protect raw water quality and our natural environment by not having to take more and more water from it, despite the demands of a growing population.

We are expanding our various land management programmes to better protect and restore the land we own, and to support other land owners. For example, we will continue to work with farmers and landowners to reduce pollution of water from nitrates, pesticides and colour from degraded lowland catchments.

One of our big priorities is to take less from the environment and maximise reuse of the water that is abstracted. We will tackle losses and waste of water in every way. And we will start by looking at ourselves - we intend to reduce the amount of water we lose through leaks by 40% by 2025.

We'll also reduce our own use of water, for example recycling grey water to use less high quality drinking water where it isn't necessary.

We also know that our customers and the environment can play a key role in how we, as a region, make ourselves more resilient to wide scale flooding. We will continue to play our part in enhancing the region's resilience, by managing the landscape differently to slow the flow of rainwater across our land and help store floodwater.

We have mapped woodland creation opportunities across our entire landholding and will work with partners such as tenants, White Rose Forest and Woodlands Trust to replicate our Gorpley 'Landscape for Water' programme at other key locations in the region.

We know that these projects provide multiple benefits beyond simply contributing to reduced flood risk, including enhanced biodiversity, carbon capture, and recreational opportunities.

CASE STUDY

NATURAL FLOOD MANAGEMENT AT GORPLEY

THE CHALLENGE

The Calder Valley has a long history of flooding and we identified that the land we own above our Gorpley reservoir, which is in the Calder Valley, would be somewhere that we could implement natural flood management measures. This would improve flood resilience and help protect the towns further down the valley whilst also enriching the environment.

THE INSIGHT

In partnership with the White Rose Forest, the 200-hectare land at Gorpley will feature 200,000 trees planted around the reservoir and lower slopes. On the moor tops, we will be restoring the blanket bogs that are currently in poor condition due to damage from past drainage activities. Working with local community groups, volunteers and schools to plant the trees and create "leaky dams" that also help slow the flow present exciting opportunities to deliver this project in a collaboratively, engaging way and contribute to raising awareness of the natural environment and the role water plays in the environment. It will also help improve long term raw water quality.



THE IMPACT

We are using natural ecological processes to slow the flow of water down the catchment. The benefits include capturing carbon in the blanket bog and enhanced habitats that enrich and support biodiversity. Importantly, our work will also contribute to enhancing the science around leaky dams and natural flood management. This natural flood management is also pleasing to look at and green whilst acting as a barrier to alleviate flood risks in the Calder Valley. By engaging the local community with the environment and getting people to go out and be active, we will also help to promote health, education and enhancing the value to society.

We also play our part, along with the emergency services, the Environment Agency and local authorities in managing flooding when it happens. We've started to trial reducing the levels of our reservoirs in the Calder Valley in the winter to see if this will help to reduce the flow of flood water down the valley.

The trees we are planting at Gorpley are just the start and we intend to plant many more. As well as all the benefits we have already talked about we want to support the Government's plans to create a Northern Forest stretching from Liverpool to Hull.

"leaky dams" are a flooding prevention measure, moderating the flow of water downstream. Barriers are added to a stream/river to prevent soil and silt escaping and allowing water to escape at a slower rate.

CASE STUDY

BIODIVERSITY ENHANCEMENT FUND

THE CHALLENGE

Through ongoing engagement, our customers have told us that we should understand our impact on the wider environment and act responsibly. One of the ways that we are doing this is by setting up the Biodiversity Enhancement Fund. This is a sum of money that charities, trusts and others can apply for to complete practical conservation work that will improve Yorkshire's environment. The projects are often carried out on land associated with our water or sewage treatment sites, and to be supported they must demonstrate clear benefits to the water environment which we rely on. In addition, the funding helps to ensure that we act in line with our regulatory duty to further the conservation of plants and animals.

THE INSIGHT

We know that the best outcomes for the environment come when conservation work is done in the right place with the right method. To make sure that projects were targeting the right areas, we worked with Natural England (NE) to create a map of Yorkshire which highlights priority areas for conservation work to be completed. With help from NE and the Environment Agency (EA) we then set criteria to identify projects that would align with national strategies and priorities. Finally, we welcomed charities and trusts to apply for funding by sending in their ideas. Information on the fund was distributed through Catchment Partnerships, EA Catchment Coordinators, Rivers Trusts and Wildlife Trusts.



THE IMPACT

Throughout 2016 and 2017 we have funded 12 projects in 20 locations across Yorkshire. The projects range from training up the next generation of environmentalists, to species conservation projects and large scale habitat creation. For example, The Conservation Volunteers are working hard to enhance a two mile stretch of the River Hull flood channel, whilst The Wild Trout Trust are working to empower local groups to restore, improve and maintain rivers and wetlands across Yorkshire.

Working with a variety of different groups has allowed us to learn a lot from their expertise, knowledge of their local area, and commitment to ongoing management of sites for lasting nature benefit. In addition we have found that projects are significantly cheaper to deliver through partnership working than solely through our traditional approaches, which means we aren't spending our customer's money unnecessarily. We have also learnt that we could improve our internal governance processes to encourage many more charities to apply, for example some people told us that they found the amount of administrative paperwork required off-putting.

After the success of the projects so far, we are continuing work with the teams delivering the projects to ensure they have a meaningful benefit to wildlife. We also hope to secure more money so that we can continue supporting conservation projects in Yorkshire through the Biodiversity Enhancement Fund in the future.





Aldwarke Treatment Works, Rotherham

YORKSHIRE WATER'S PROFILE OUR IMPACT

We have explored Yorkshire and what Yorkshire Water does. We now want to explore what our impact is on Yorkshire, why it matters and later why it needs to change.

We provide water and waste water services to the people of Yorkshire. To do this we have many pipes, pumps, treatment facilities, offices, vehicles and people across the region. How well we look after and operate these assets impacts on the people of Yorkshire, the service they receive from us and our impact on the environment.

We work hard to make sure that this all works well, and most of the time it does. Occasionally things happen that mean things go wrong, for example there could be a burst water pipe which means that customers water supplies are interrupted, or sewage escapes from our pipes that can damage homes, businesses and the environment.

As part of creating this strategy we have worked hard to understand fully the impact of our activities now and into the future. This means that we need to understand our impact in two ways; how we impact on our customers and communities when we get it right and how we benefit society, but we're also looking hard at what this means to customers, communities and Yorkshire when things go wrong.

Knowing our impact, and changing it where we need to, will make us more sustainable and resilient. Measuring our impact also means that we can show that we are providing the best possible value for the money spent by our customers, ourselves and our partners.

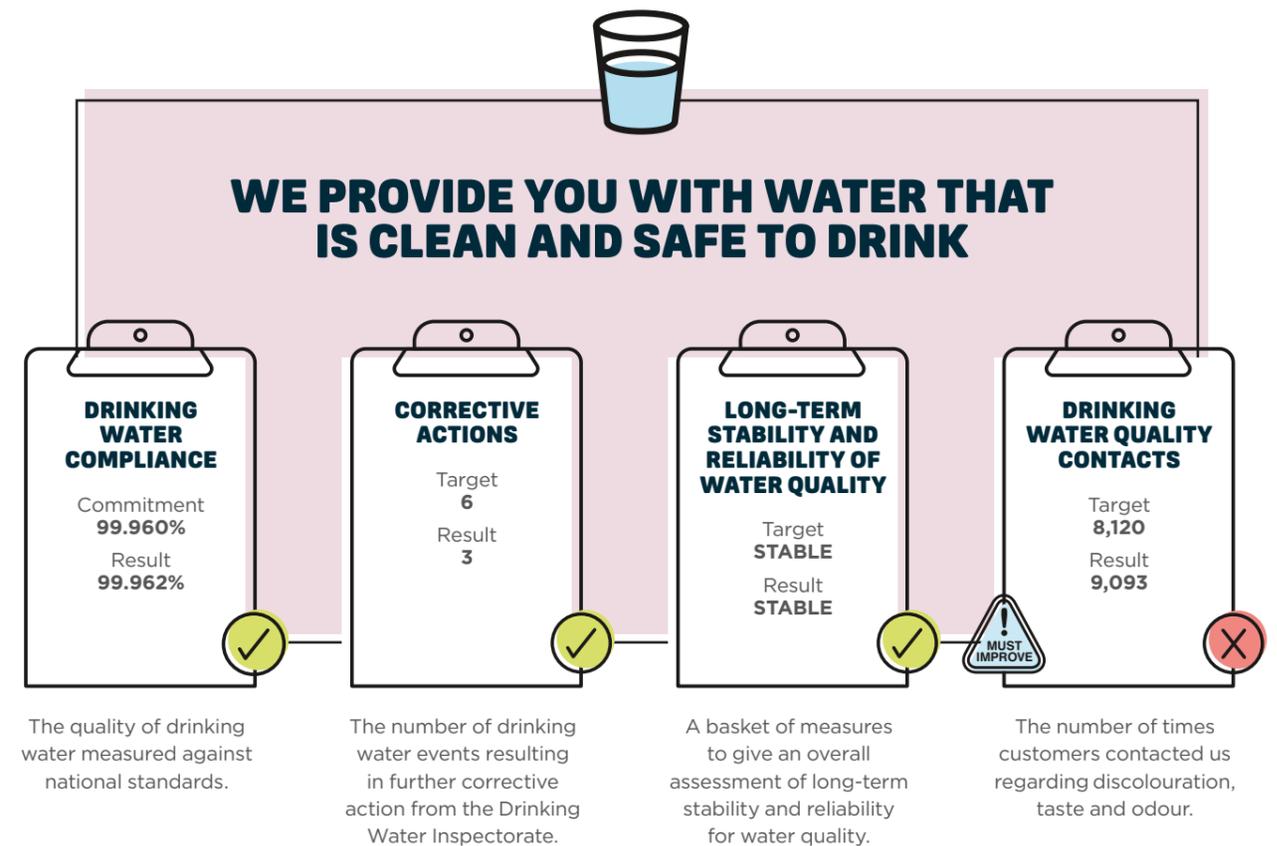


MEASURING OUR SERVICE IMPACT

We are measuring our impact on Yorkshire, its people, businesses and environment in two ways. The first way is by looking at how well we are delivering the services and improvements that we promised in 2015. The second way we measure our impact is to look much wider and understand our total impact on Yorkshire, its people and environment.

Working with the Yorkshire Forum for Water Customers and with the outcomes of our customer research, we agreed with you seven outcomes for Yorkshire covering the services we provide. To measure how well we are delivering those outcomes we agreed 26 measures, performance commitments, that show how well we are meeting our outcomes. We report on these commitments every year in our Annual Performance Report.

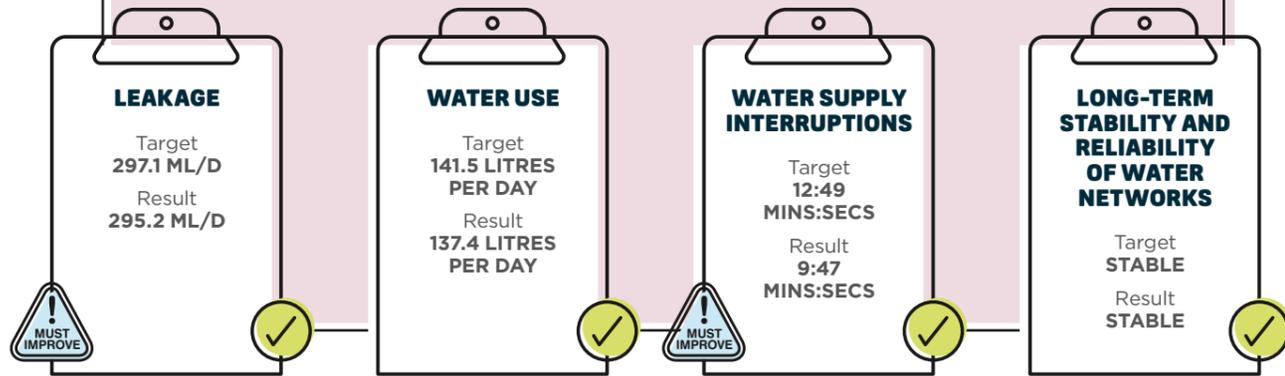
The following pages show a summary of how we did against our performance commitments in 2016/17.



Indicates if we are meeting our regulatory target.
 Indicates if we are not meeting our regulatory target.
 Although we are meeting our regulatory targets we are committed to going beyond these in the future making sure we deliver the best service to our customers possible.



WE MAKE SURE THAT YOU ALWAYS HAVE ENOUGH WATER



The amount of water lost from our network including when it's being transported between the treatment works and customer homes and businesses.

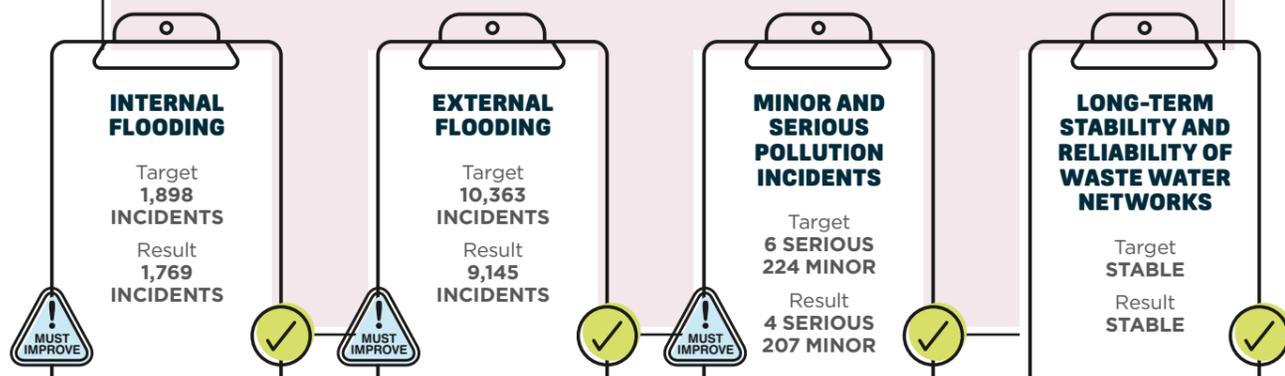
Average use (litres) of each person in the region each day.

Minutes lost due to water supply interruptions for 3 hours or more, per property served.

A basket of measures to give an overall assessment of long-term stability and reliability for water networks.



WE TAKE CARE OF YOUR WASTE WATER AND PROTECT YOU AND THE ENVIRONMENT FROM SEWER FLOODING

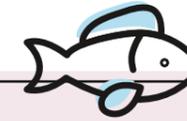


The total number of sewer flooding incidents experienced by homes and businesses in the year.

The total number of flooding incidents affecting external areas such as highways, car parks, footpaths, public open spaces, fields, agricultural land and woodland in the year.

The total number of pollution incidents caused by our waste water assets which have been classified as having a minor or serious impact.

An overall assessment of long-term stability and reliability for waste water networks.



WE PROTECT AND IMPROVE THE WATER ENVIRONMENT



The number of Yorkshire's bathing water sites that exceeded the requirements of the EU bathing water standards.

Survey published measuring satisfaction of visitors with access to our recreational land and visitor facilities.

The number of solutions we deliver through working with other agencies, organisations or individuals. These can be delivered through various measures including joint funding, shared resources, investigations and feasibility studies.



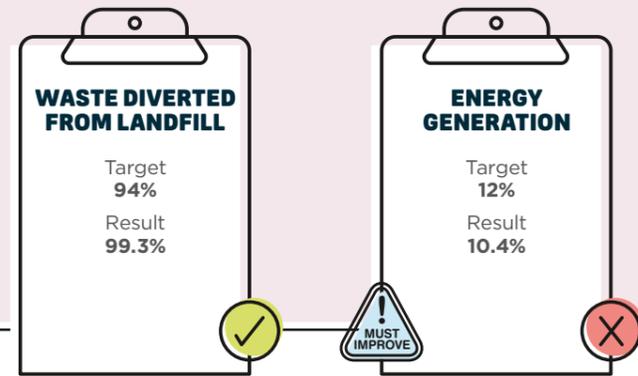
The amount of land in Yorkshire where we play an active role to conserve and enhance it. This is a 5 year commitment which will be confirmed in 2020.

The amount of river length in Yorkshire we will improve between 2015-2020. This is a 5 year commitment which will be confirmed in 2020.

A basket of measures to give an overall assessment of long-term stability and reliability for waste water treatment.



WE UNDERSTAND OUR IMPACT ON THE WIDER ENVIRONMENT AND ACT RESPONSIBLY



Waste from our Yorkshire Water activities that is recycled or reused.

The amount of electricity we generate through renewable technology expressed as a percentage of total energy consumption.



WE PROVIDE THE LEVEL OF CUSTOMER SERVICE YOU EXPECT AND VALUE



Measured by our regulator Ofwat's Service Incentive Mechanism.

The overall percentage of our household customers satisfied with their water and waste water services. This is based on the independent annual survey and report from CCWater. We have a commitment to improving customer satisfaction levels to ensure on average our performance between 2015-2020 is better than our performance during 2010-2015.

We must meet specific standards, by law, on the service we provide to customers. Our commitment is to improve on these, reducing the total number of events where we have failed to meet the Guaranteed Standards of Service.



WE KEEP YOUR BILLS AS LOW AS POSSIBLE



Number of people who we help pay their bill. We are committed to improving this year on year and will publish our progress annually.

Cost to each bill paying customer of the customer who does not pay their bill.

The percentage of customers, independently assessed by CCWater survey, who agree that our service is value for money.

In 2016 we met 24 out of the 26 commitments and we plan to meet all of them by 2020. We regularly review ourselves against the performance commitments with the Yorkshire Forum for Water Customers; it challenges us on our performance on behalf of our customers.

This is good, but our conversations with the Forum and customers tell us that we can do better. For example, we now understand in more detail how a water supply interruption that would not inconvenience one person very much, can impact badly on somebody else in different circumstances.

This is not good enough for us and we want to go further. Even if we meet all our commitments it still means that there will be people who experience sewer flooding in their homes, people who have their water

supply interrupted and people who find it hard to pay their bill. This strategy is about how we will do things differently in the future to improve our service and reduce our impact on you and the environment.

We have also shared with you how our performance on key measures such as pollution, leakage and sewer flooding compares to other water companies. Where we are not doing as well as some other companies our customers were disappointed and wanted us to improve. This is why we have launched a big service improvement plan that will see us comparing well with top performing companies on key service measures including leakage levels, pollution incidents, sewer flooding incidents and interruptions to water supplies.

MEASURING OUR WIDER IMPACT

Measuring performance on our core water and waste water services is central to our work. However, we know that our impact is far reaching.

We are examining our impact like never before, both the good and bad. By looking across the economic, environmental and social priorities associated with our activities using a concept called the six capitals, we are developing our understanding and finding new ways to maintain and grow our contribution to Yorkshire. This deep understanding is central to our long-term strategy and to the long-term resilience of our services.

To quantify our impact and the resulting economic value, we have recently completed a comprehensive assessment, which we have called Total Impact and Value Assessment. In this work, we have used a mix of traditional and innovative accounting and analysis techniques to give us a

We are embedding the concept of the capitals, shown below, into our longer-term business planning, to help us ensure the affordability and resilience of our essential public services for current and future generations. You will see later in the document how we measure the capitals and you'll see which projects and future plans they relate to.

FINANCIAL CAPITAL
Our financial health and efficiency

MANUFACTURED CAPITAL
Our pipes, treatment works, offices and IT

NATURAL CAPITAL
The materials and services we rely on from the environment, especially water

HUMAN CAPITAL
Our workforce's capabilities and wellbeing

INTELLECTUAL CAPITAL
Our knowledge and processes

SOCIAL CAPITAL
Our relationships and customers' trust in us

The capital icons above are used on the diagram on the next page, and throughout the document.

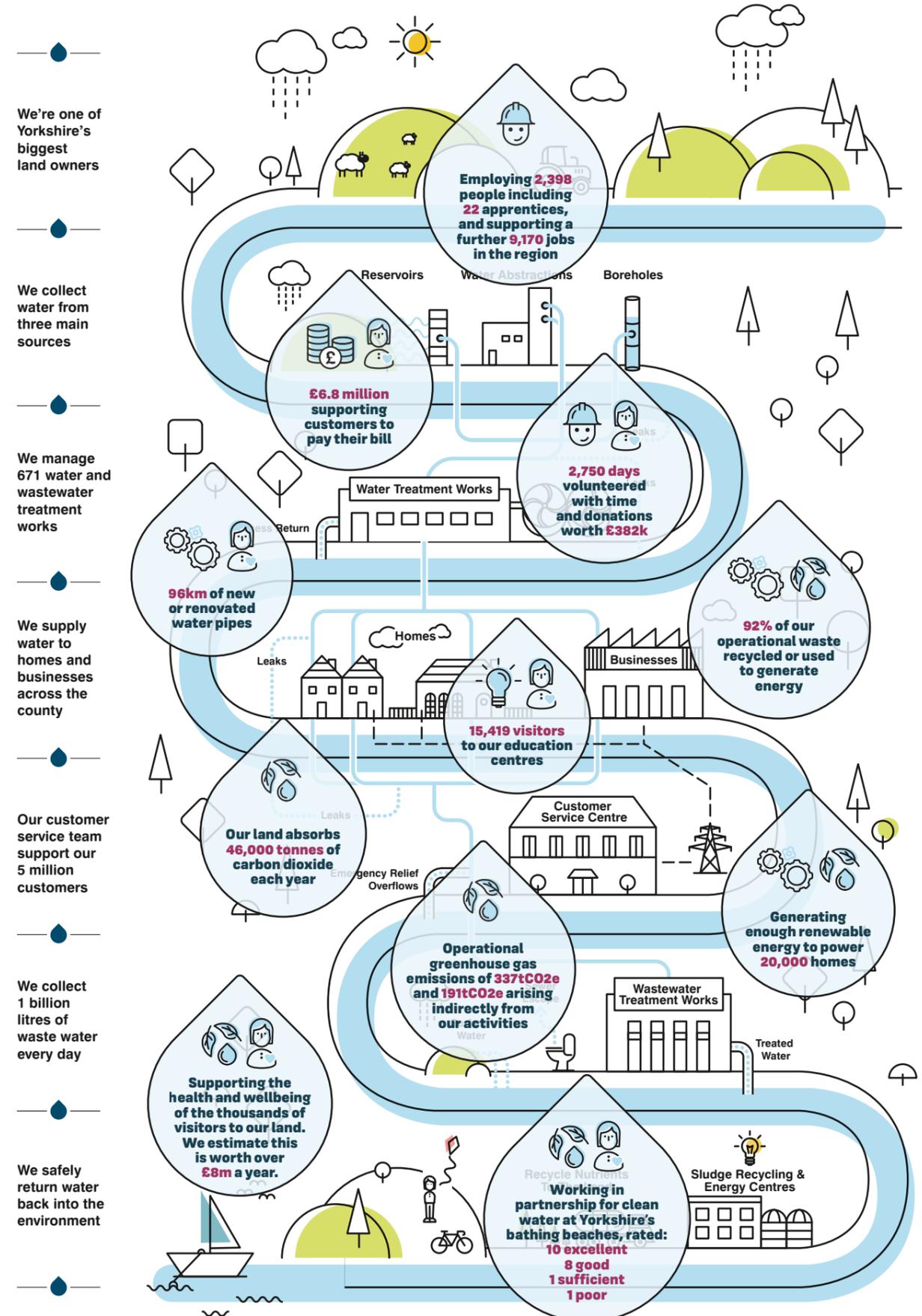
rich understanding of our impact, including the standard financial and operational performance measures but also drilling deeper into other areas of impact that also matter, like diversity, education and environmental pollution.

This assessment has already helped us better understand the risks to our essential public services and a wide range of opportunities to further grow our contribution. For example, by improving resource efficiency, we reduce environmental damage and further strengthen the resilience of our services for customers.

The diagram opposite provides insight on our latest findings about our impact. You can find more detail in Our Contribution to Yorkshire, a report on our six capitals approach and the findings of our assessment. This can be found at www.yorkshirewater.com/capitals

FROM SOURCE TO SEA

STATISTICS BASED ON OUR IMPACT IN 2014/15

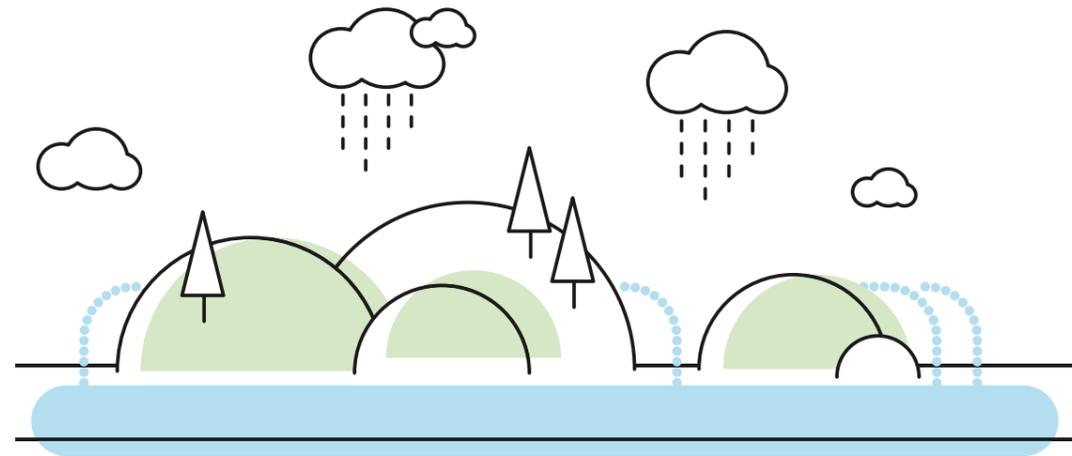




YORKSHIRE WATER'S PROFILE THE NEED FOR CHANGE

In the last four sections, we have talked about what we have learned; the future pressures that we face in Yorkshire, what our customers have told us and what is important to the economy and environment of Yorkshire.

We know that we need to meet the challenges that are facing the county in the future; how a growing population means that we need to change to ensure enough water is available and that we continue to take away and recycle waste water.



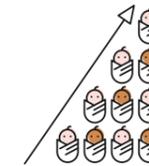
We know that the pattern of the weather may change in the future and we know that we need to change what we do to ensure our services are delivered irrespective of changing or adverse weather.

Feedback from the Yorkshire Forum for Water Customers and our research tells us that our customers want more from us – both in terms of the services we provide but also how we provide our services. People expect to be able to tailor the service they receive from us to suit them – so we need to be able to meet that expectation.

Finally, we know that the cost of our services – today and tomorrow – is a real concern for the people of Yorkshire so we need to face all the challenges, and deliver a sustainable, resilient service at a price that means that no one in Yorkshire should worry about paying their bill.

We want to share with you our plans and how we will change. Our plans have been shaped by what people have said to us and what we know about ourselves.

THE BIG CHALLENGES WE FACE



OUR GROWING POPULATION

How do we continue to supply a growing population with water and waste water services?



DIVERSE CUSTOMERS

How do we tailor our services to meet the needs of the diverse society we serve?



ECONOMIC CHALLENGES

How do we ensure that nobody has to worry about paying their water bill?



PREPARING FOR EXTREME WEATHER

How do we ensure that our services are delivered despite the adverse weather we experience?



RISING SEA LEVELS

How do we prepare for the damage that can be caused by rising sea levels?



MANAGING THROUGH DRY SUMMERS

How do we all manage our way through a changing cycle of wetter winters and drier summers?



LOCAL COMMUNITY FOCUS

Can we play a part in specific areas to help meet local challenges? Such as agricultural requirements in North Yorkshire and industrial cooling in the Humber.

OUR STAKEHOLDERS AND CUSTOMERS HAVE AGREED WITH OUR PLANS...

More Hall Reservoir

“We need more resilience to flood and drought. We need to deal better with extremes of weather. Yorkshire Water could do more to help businesses and consumers protect against flooding, especially in ensuring that the flood protection advice is correct.”

Rob Light, Northern Chair for Consumer Council for Water



“I would like to see a strong ongoing commitment to reducing pollution, including partnerships with farmers to reduce diffuse pollution and improve river quality.”

Angela Smith MP



“Maintaining affordability is a key challenge, particularly for the poorest, as life is not getting any more affordable for them.”

Tom Riordan, Chief Executive, Leeds City Council



“Delivering quality drinking water and taking waste water away require massive infrastructure, so for me the key challenge is about how to do all of this in a sustainable way.”

Rob Stoneman, Chief Executive, Yorkshire Wildlife Trust

“The next ten years will bring increased demand and more extreme weather which could bring with it further problems, such as interruption in supply, mismatch of peaks and troughs in supply and demand, and modernising the network to cope.”



“I think the main challenge going 10 years down the line is ageing infrastructure and the cost of repairing.”



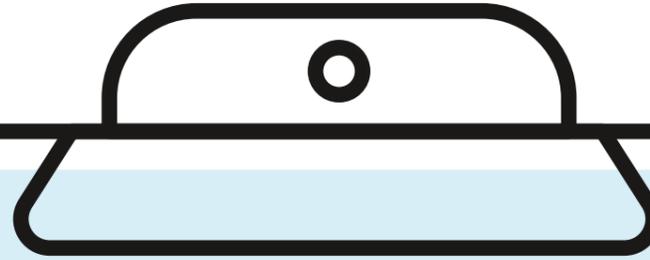
“The immediate things that come to mind are the effects of global warming and issues with increased flooding in the county.”



“I think storing water is a major challenge to try and even out the demand on water throughout the year.”



“I think that the main challenges for Yorkshire Water at the moment are ensuring that they continue to provide fairly priced water and sewage services combined with good customer service, particularly as their customers are in fact a ‘captive audience’ as water charges are not optional.”



CASE STUDY

FOGS TO FUEL INITIATIVE

THE CHALLENGE

Across Yorkshire there are key hotspot areas where our sewers have become blocked mainly by customers pouring the wrong things down toilets and sinks. One such hotspot is the Bradford Moor area in West Yorkshire. In the space of three years we've cleared 85 blockages at this location and spent £2.8 million refurbishing the sewer network in a bid to keep it flowing.

THE INSIGHT

We knew this area needed a different approach to managing the sewers and that the investment alone was not going to solve the problem. Customers were using sinks to dispose of cooking oils as they were not aware of, or did not have access to, alternative disposal routes.

We teamed up with Living Fuels (a company that turns used cooking oil into carbon neutral electricity), Bradford Council and the Karmand Community Centre to set up the country's first domestic waste oil collection service.

Together with our partners, we visit customers in the area, explain to them the problems that are occurring and provide each household with a fat, grease and oil collection tub. The tubs are collected on a regular basis and taken to the Karmand Centre where they sell the oil to Living Fuel who use it to create bio-fuel. The tubs are then cleaned and returned to the customers in the area to start filling up again. The Karmand centre receives the proceeds of the sale.

THE IMPACT

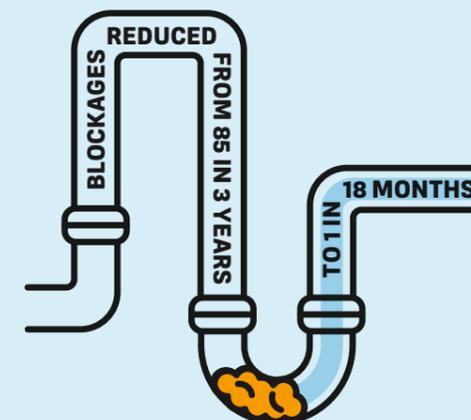
There have been incredible levels of support within the local community for this initiative, a large proportion of which is due to the continuing support of the local community champion, the Karmand Centre. Their network and place within the



community is an essential part of the project and one ingredient that projects like this need to succeed.

The signs that the scheme is having a positive impact are already showing. Blockages have reduced from 85 in 3 years to just one in the first 18 months since the scheme was launched. This is proof that customers really can make a difference if they change their behaviours.

Initially, the trial only included 85 homes. However, since the launch back in August 2016, household numbers signed up has trebled in size to over 250.



The success of the initiative is partly due to the collective effort embraced at a 'local' level.

This scheme shows how customers can participate and benefit from helping solve problems with us. We intend to engage with customers like this going forward. The pilot confirms that there are substantial benefits to be had from this innovative community partnership.

The impact delivers natural capital benefits by reducing sewer blockages, avoiding pollution incidents and sewer flooding.

It delivers financial capital benefits - we don't have to spend money clearing blockages or cleaning sewers, but also the community centre benefits from selling the waste oil.

It delivers social capital benefits by building relationships and working partnerships with the local community.

OUR PLANS FIVE BIG GOALS

OUR BIG GOALS AND OUTCOMES

Our last strategy review in 2013 involved customers telling us their priorities for the next 25 years. This led to key outcomes for Yorkshire Water and to a series of performance commitments against which we measure ourselves.



Five years on, we talked again to customers to check if those were still the right priorities and to find out what has changed. This engagement was just one part of our ongoing customer communications.

What we heard from customers is that although the priorities remain the same, they want us to deliver them in different ways. As well as what our customers are telling us, we know that in order to manage the challenge of a growing population and changing weather and to keep bills low we need to find different ways of delivering our services.

That means we will have to change the way we work to meet customers' expectations and the challenges we face. To do this, we have developed five big goals which will help us be sure we can continue to deliver, over the long term, the outcomes everyone wants from us in a way that remains affordable for all.

What we are promising to do in the big goals is deliver great, tailored affordable services now and into the long term. The way we will deliver those services will change, so you will see from the targets we have set ourselves how we intend to do things differently. We will use data, innovation and technology to know our customers better and meet their needs.

We will use new ways as well as tried and tested ones to reduce how much clean water we lose through leakage and increase the capacity of our existing sewer network by reducing the amount of rainwater that goes into it.

All our activities will combine to ensure that our network can service a growing population without harming the environment and keeping bills low.

OUR 5 BIG GOALS:

1. CUSTOMERS: We will develop the deepest possible understanding of our customers' needs and wants and ensure that we develop a service tailored and personalised to meet those needs.

2. WATER SUPPLY: We will always provide you with enough safe drinking water, we will not waste water and always protect the environment.

3. ENVIRONMENT: We will remove surface water from our sewers and recycle all waste water, protecting the environment from sewer flooding and pollution.

4. TRANSPARENCY: We will be a global benchmark for openness and transparency.

5. BILLS: We will use innovation to improve service, eradicate waste and reduce costs so no one need worry about paying our bill. We will not waste money.

GOAL ONE CUSTOMERS



WE WILL DEVELOP THE DEEPEST POSSIBLE UNDERSTANDING OF OUR CUSTOMERS' NEEDS AND WANTS AND ENSURE THAT WE DEVELOP A SERVICE TAILORED AND PERSONALISED TO MEET THOSE NEEDS.

WHY DO WE NEED TO DO THIS?

Excellent service is essential for gaining the trust of our customers. We serve a diverse community in Yorkshire and we need to reflect the diversity of our customers' requirements of us. We know that at least 30% of our customers have individual, specific needs that we must meet.

We know that the vast majority of our customers cannot currently choose another supplier, which means that we have an added responsibility to provide an excellent service. We also know that as a private sector supplier of an essential public service, expectations of us are higher and we are subject to greater levels of scrutiny.

We know how our lifestyles depend on water, at a global and a local level. We now know more about the individual needs of some of our customers. This has helped us understand how we impact on people's lives now and where we need to focus our efforts as we plan the future.

We know that expectations are changing. For example, some customers want more control over water in their home - they may want to know if they can track where their water comes from,

if they can choose the quality of their water or if they can bundle their utility services together or control their water use remotely. Some customers need to contact us directly and, as technology makes it easier for them, they want more control over how and when they contact us and how any issues are resolved. So, to ensure that we understand the expectations of us, we need to continue our conversations over the long term.

The Yorkshire Forum for Water Customers will inform and challenge us as we design our approach to continue the work we have begun in understanding our customers and the impact of our services. This will help us deliver our services in the way our customers want.

We need to respond to what we have learned; how we impact on our customers, how we provide our services and how we need to work with others to help solve some of the challenges we face.

Continually growing our detailed understanding of our customers will help us make sure that we are communicating well, and encouraging people to help us create the right water future for Yorkshire.

WHAT ARE WE GOING TO DO NOW AND INTO THE FUTURE?

- We will use data to develop a granular understanding of our customers and meet the service needs of the communities and customers we serve.
- We will use innovation to proactively identify customers with specific needs and tailor our services to meet them. Wherever possible we will personalise this service.
- People will be able to contact us 24 hours a day in the way that suits them best.
- We will excel in customer service measures both for the water industry and across the UK.

WHAT WILL THE IMPACT BE?

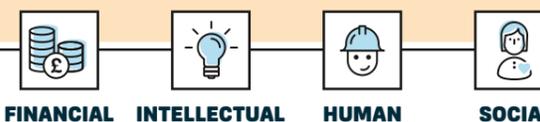
We will be open for business whenever and however customers want to contact us. Customers will always find us easy to deal with and have confidence that we will resolve issues quickly.

HOW WILL WE KNOW WE ARE GETTING IT RIGHT?

The new regulatory measure of customer service is C-Mex, which will help us compare our performance against other water companies. We'll excel in this measure, demonstrating that we lead the industry in service. This will be achieved through continually listening to our customers about the experiences they have with us. We'll ask for feedback and measure satisfaction as services evolve, making sure improvements keep up with expectations.

Customers will compare their service experiences with companies outside the water industry. We too will measure how we perform through the UK Customer Satisfaction Index (UKCSI). We'll consistently be ranked amongst the best companies in the UK.

As we improve there'll be less need for customers to contact us. Not only will the number of complaints reduce but when they occur, we'll make sure they are resolved first time, reducing those that escalate.



CASE STUDY

USING DATA TO HELP SUPPORT OUR CUSTOMERS



SOCIAL



INTELLECTUAL



FINANCIAL

THE CHALLENGE

Paying a water bill for some customers can be challenging due to their personal circumstances. To make sure we help any customers who might find themselves in this situation we are members of two data sharing agreements run by Experian and Call Credit. These provide data that enables us to see if a customer has a potential to struggle with their bill payments, allowing us to make interventions to help them with schemes like social tariffs or specific payment plans.

THE INSIGHT

The data sharing provides us with access to household incomes, County Court Judgements and pay day loans information. We use these to identify which of our customers could fall into financial vulnerability.

Our customers told us that households who are struggling to pay are often overlooked until they fall into debt. Our social tariff is targeted at those on low income with a relatively high water bill, as these households find it harder to keep up with payments.

THE IMPACT

By using data smartly in this way we are able to provide customers with the support they need to manage their bills, taking away any anxiety or worry they may previously have had.

The results show that we are getting this right for the customers.

75% of customers continue to pay once supported.

89% of customers receive a positive credit rating.

Data comes in:



Helps us to segment our customer types:



We look at suitable options of support:



We promote the right support to our customers:



Great outcome for the customer and us:



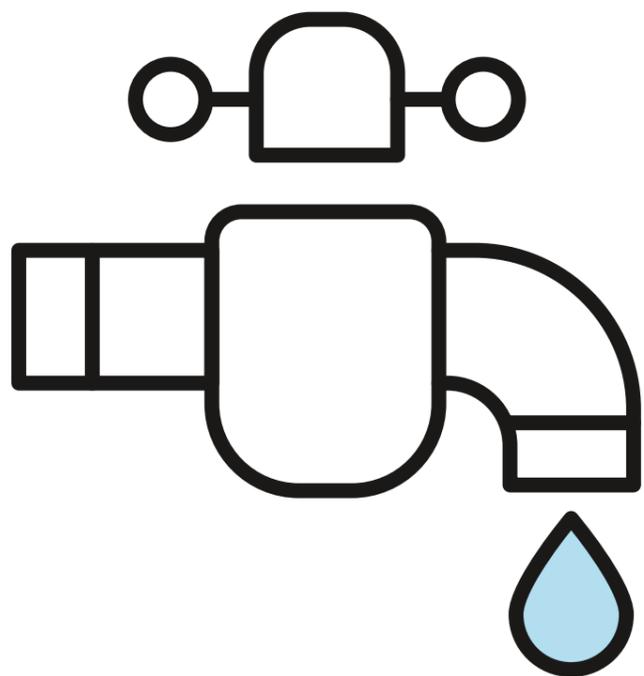
Customer's water bill reduced



Customer can manage other bills and debts



We collect the income and reduce the costs of debt collection which enhances our reputation



GOAL TWO WATER SUPPLY

WE WILL ALWAYS PROVIDE YOU WITH ENOUGH SAFE WATER, WE WILL NOT WASTE WATER AND ALWAYS PROTECT THE ENVIRONMENT.

WHY DO WE NEED TO DO THIS?

Water is essential not just for our immediate use for drinking and washing. It is also essential for producing food, generating energy and creating products like our cars and computers. It's needed for our hospitals, our schools and for the companies that create such a vibrant economy in Yorkshire. Our customers have consistently told us that the thing that is most

important to them is a reliable and sustainable supply of high quality drinking water.

The population is increasing, and the economy in Yorkshire is growing. Climate change brings uncertainty over future supply and consistency of rainfall patterns. We want to always have enough water in Yorkshire.

WHAT ARE WE GOING TO DO NOW AND INTO THE FUTURE?

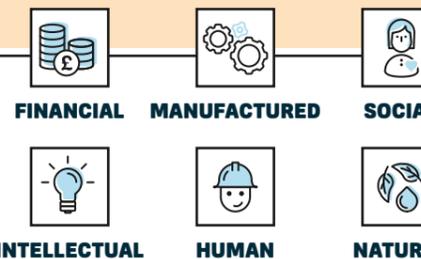
- We will be self-sufficient in water – but we would facilitate transfers through Yorkshire to add resilience to national water supply strategies.
- We will reduce leakage by 40% by 2025, this will make our own supplies more resilient and give us choices about our future decisions.
- We recognise the impact of interrupting water supplies through our conversations with our customers and we will significantly reduce supply interruptions over the next three years. We are looking to become a leader in this area.

Overall this will mean that our average interruptions will reduce from 9.47 minutes in 2016, to two minutes by 2025.

- We will work with industry to reduce demand for potable water by using non-potable water instead. This initiative in combination with better recycling at our treatment works will off-set 0.5% of current demand, creating enough extra drinking water for 18,000 new houses without abstracting any more water from the environment.
- We will avoid additional investment in water treatment works by managing our land and influencing others to ensure that water captured is the best quality.
- When we have earned the right, we will work with customers and other stakeholders to participate in reducing consumption overall in Yorkshire.

WHAT WILL THE IMPACT BE?

- We will not harm the water environment by abstracting too much water.
- We will reduce wasted water by tackling leakage. This also means we will use less chemicals and energy in water treatment and distribution.
- We will avoid additional investment in water treatment as the population grows which will help keep bills low.
- By managing land for water, we will capture more carbon, enhance biodiversity and the people and visitors of Yorkshire can continue to enjoy our beautiful environment.



HOW WILL WE KNOW WE ARE GETTING IT RIGHT?

We will be self-sufficient by 2035 by reducing leakage and demand in Yorkshire.

We will have one of the lowest rates of interruptions to supply in the industry by 2022.

We will meet the demands of a growing population without increasing our existing abstractions.

We will have one of the lowest water bills in the UK.

We will have one of the lowest leakage levels in the UK.

CASE STUDY

DELIVERING A SUSTAINABLE WATER SUPPLY



NATURAL



INTELLECTUAL



MANUFACTURED



FINANCIAL

THE CHALLENGE

We've identified that there is a desire from some of our industrial customers to use lower grades of water in some of their processes. It makes no sense to use the highest quality drinking water when lower grades can be utilised safely. This would mean the displaced drinking water can be used to accommodate new customers who need the highest quality, without abstracting more from the environment and building new, expensive assets to deliver it. It also saves money for industrial customers and reduces the carbon and chemicals used to provide water of a unnecessarily high quality.

THE INSIGHT

To inform how we do this in the future we are working with some of our large industrial customers in Leeds to demonstrate how we can safely provide them with sub-potable supplies. We are taking the water we would normally return to the river at the end of our sewage treatment process from our Knostrop Wastewater



Treatment Works (WWTW) and in a two-year trial we will establish what treatment we need to put in place to provide water to meet their needs. At the end of the work we will understand what we need to build and what it will cost to produce the new product and therefore what the saving will be to our customers. We will also know what the carbon benefit is and the broader benefit in terms of providing resilient water supply in a future where population growth will put increased pressure on clean water supplies.

THE IMPACT

The demonstration will deliver over 30,000m³ (equivalent to 12 Olympic sized swimming pools) of water, displacing enough drinking water for about 600 customers just in this one trial. We believe that by proving this is a safe, cost effective option we will create a significant impact on raw water management and deliver more sustainable products for our customers in the future and protect the production of products made in Yorkshire.

GOAL THREE ENVIRONMENT



WE WILL REMOVE SURFACE WATER FROM OUR SEWERS AND RECYCLE ALL WASTE WATER, PROTECTING THE ENVIRONMENT FROM SEWER FLOODING AND POLLUTION.

WHY DO WE THINK WE NEED TO DO THIS?

Weather patterns are expected to change and the population is expected to grow. This will put additional pressure on our sewer systems. If we do not change how we manage our network, the changes in weather and population could lead to increased investment to build greater capacity, or risk of flooding from sewers and increased amounts of sewage entering our rivers from combined sewer overflows. As well as causing harm when waste water escapes, it also means that we miss the opportunity to recycle it. It may sound odd but waste water has a real value. We treat waste water so that it can be safely returned to the environment. This treatment process produces cleaned water that can be re-used and other by-products, all of which have value. The cleaned water could be used in industrial processes, helping reduce demand on the drinking water network. And when we return clean water to the environment it helps to maintain river levels, especially in the summer months. The by-products are used to create

methane gas, which in turn is converted into electricity that helps run our treatment plants.

During consultation, some stakeholders highlighted that we didn't sufficiently reflect the challenges facing the natural environment or our varied and important roles in protecting the environment. They felt we were being unambitious in this area. We have therefore reviewed our plans and, for example, increased to 50% the amount by which we will reduce pollution incidents by 2025.

The focus of this big goal is on sewer flooding because this relates to our core drainage duty. However, it is important to note this goal is purposefully titled Environment, and we are passionate about all our roles protecting and improving the environment. Our plan includes substantial growth in our activities in this area with new and innovative performance commitments on the air, land and water environment. Find out more in our detailed plan to 2025, available at www.itsnotjustwater.co.uk

WHAT ARE WE GOING TO DO NOW AND INTO THE FUTURE?

- We will eradicate pollution and sewer flooding from our assets (sewers, pumping stations and treatment plants etc.) by 2050. By 2020 we will have already taken the first steps towards this by committing to reduce sewage leaks by 40% and reducing sewer flooding in homes by 70%.
- We will have stopped rainwater run-off from 40 hectares worth of impermeable surfaces (road, footpaths etc.) creating additional capacity in our waste water network to support the creation of new homes and businesses by 2025.
- We will markedly reduce the volume of water that spills from our combined sewer overflows by 2050.
- We will have a waste water and drainage management plan in place for every town and city and also rural areas at risk of flooding in Yorkshire by 2050.
- We will help manage surface water run off and also support the government agenda for a Northern Forest by planting one million trees by 2028.

HOW WILL WE KNOW WE ARE GETTING IT RIGHT?

In the long term, we aim to eliminate sewer flooding and pollution from our sewer network.

We believe it will take us until 2050 to eliminate flooding and pollution from our assets. The challenges of eliminating flooding and pollution in the future will require us to address areas such as a growing population, climate

WHAT WILL THE IMPACT BE?

- People will not suffer from sewage flooding their homes.
- The environment will not be harmed by sewage escapes polluting land and rivers.
- We will work with our customers and businesses to keep bills low by using rainwater for some of their needs.
- We will reduce our carbon impact through reduced pumping and we will keep bills low by avoiding building new pipes and treatment works.



NATURAL



SOCIAL



MANUFACTURED



FINANCIAL



INTELLECTUAL



HUMAN

change and changing lifestyles. This will mean we will need to work with our customers and stakeholders to stop the wrong things being put in the sewer network.

To meet our target of eliminating sewer flooding, we will develop a programme of engagement with customers – both domestic and commercial – on the impacts of disposal of inappropriate materials to sewer. However, to effect a change in customer behaviour, such a programme needs to be sustained and long term. This will also be supported through helping customers find alternative disposal routes, for example through 'bag it and bin it' or provision of storage for fats and oils. Through building our understanding of our customers and their needs and lifestyles we will be able to target information campaigns and support customers with the most appropriate solutions for maximum benefit.

CASE STUDY

WORKING IN PARTNERSHIP



SOCIAL

THE CHALLENGE

In 2013, Hull City Council launched the City Plan for Hull – a 10-year regeneration strategy which set out to transform the city physically, culturally and reputationally. Since then, Hull has hit the national and international stage as UK City of Culture 2017 and has seen investment of more than £3 billion from the public and private sectors.



NATURAL



INTELLECTUAL

Yet, despite this renaissance, the city's surrounding geography and the challenges of climate change mean that, outside of London, Hull remains the most at-risk city from flooding in the UK.



FINANCIAL

THE INSIGHT

Since the floods of 2007, Hull City Council, Yorkshire Water, the Environment Agency and East Riding of Yorkshire Council, working both independently and in partnership, have invested significantly in the catchment. Yorkshire Water alone has invested more than £40m on the pumping stations that help to protect the city, including the construction of the new Bransholme surface water pumping station



MANUFACTURED



which opened in 2016. But, even with this investment, managing water effectively remains a challenge that must be faced to continue to progress towards the vision set out in the City Plan.

In 2016 Yorkshire Water published “Water Culture” a document which set out to catalyse a discussion about an innovative water resilient future for Hull and the East Riding. The document invited “an exploration of how a shared vision might be achieved in partnership and how the water environment can play a key role in the culture and success of the city”.

THE IMPACT

From the discussions prompted by Water Culture, the Living with Water partnership was established which brings together Yorkshire Water, Hull City Council, East Riding of Yorkshire Council and the Environment Agency with a joint vision to make the Hull and Haltemprice area an international exemplar for living in harmony with water.

In September 2017, the partnership brought local stakeholders together with national and international experts for a two-day charrette to explore this vision and set out an ambitious plan for the future. Working together, the partners are now developing innovative solutions to reduce flood risk in the catchment using a jointly owned, integrated flood model.

As these solutions are developed the partnership will be working with local communities through further charrettes to ensure they meet the needs of local people, as well as contributing to the overall vision for the city.

To inform the long-term approach, the partnership is one of only five cities around the globe to develop and pilot a new City Water Resilience Framework, working with The Rockefeller Foundation.

Find out more at www.livingwithwater.co.uk

GOAL FOUR TRANSPARENCY

WE WILL BE A GLOBAL BENCHMARK FOR OPENNESS AND TRANSPARENCY.

WHY DO WE THINK WE NEED TO DO THIS?

The people of Yorkshire depend on us and most cannot choose another supplier. We provide an essential public service as a private company and therefore our customers expect even more from us. We owe it to our customers to earn their trust and we want them to be confident that we're being straightforward about our performance. They have a legitimate right to know that we are operating to the highest standards of probity and integrity.

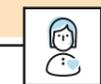


WHAT ARE WE GOING TO DO NOW AND INTO THE FUTURE?

- We will adopt the highest standards of openness and transparency, with a commitment to go well beyond what we are required to do by our regulator.
- We will have a clear and easy-to-understand governance structure that allows customers to hold us to account.
- We will use innovation in communications to ensure that our customers can find out whatever they want about our work.
- We will report our performance honestly, being clear when we have done things well and straightforward when our performance hasn't been what customers expect.
- Our senior managers and directors will always be accessible to customers and will meet with them frequently to get their feedback.

WHAT WILL THE IMPACT BE?

- We have a corporate and financing structure that is easy to understand and that is trusted.
- Customers will have a clear idea of how we are performing and what their bill payment is used for.
- Our data is recognised as trustworthy and accurate.
- People believe that Yorkshire Water is a responsible company.
- We will play our wider role in Yorkshire society and be able to measure the benefits we add.



SOCIAL



FINANCIAL



INTELLECTUAL

HOW WILL WE KNOW WE ARE GETTING IT RIGHT?

We will engage with our customers and stakeholders to understand what they want from us and how well they feel that they understand who we are and what we do. We will also ensure that we regularly ask them if there is more they want to know about our performance or operations.

We aim to be categorised as “self-assured” by Ofwat in January 2019. This means that Ofwat, after reviewing our published information, believe that we are providing high standards in transparency, accuracy and accessibility.

We will benchmark our standards of openness and transparency against top performers in both public and private sectors in the UK and internationally.

YORKSHIRE WATER WILL BE THE FIRST IN THE INDUSTRY TO PUBLISH A COMPREHENSIVE WORKFORCE DIVERSITY REPORT. THIS WILL INCLUDE DATA ON BOTH GENDER AND ETHNIC PAY GAPS AND GOES BEYOND LEGAL REQUIREMENTS. IT WILL ALSO CONTAIN STRETCHING TARGETS FOR IMPROVEMENTS TO WORKFORCE DIVERSITY AND REDUCTIONS IN PAY GAPS WITH A COMMITMENT TO PUBLISH AN ANNUAL REPORT SETTING OUT OUR PERFORMANCE.

GOAL FIVE BILLS



WE WILL USE INNOVATION TO IMPROVE SERVICE, ERADICATE WASTE AND REDUCE COSTS SO NO ONE NEED WORRY ABOUT PAYING OUR BILL. WE WILL NOT WASTE MONEY.

WHY DO WE THINK WE NEED TO DO THIS?

Bills for water services are a part of monthly household costs. We know that many customers in Yorkshire struggle with their bills. Our research tells us that Yorkshire's average income is behind the national average. For example, nearly a third of households in Bradford have an income of less than £15,000, and close to half of households in Hull are in the most deprived 10% of neighbourhoods in England.

We will constantly look for better ways of doing things so that we can continually reduce costs and use less resources, while maintaining highly resilient services and growing the value we give to the society we serve.

Some estimates suggest that a third of our customers may be struggling to pay their water bill. These households spend more than 3% of their disposable income on paying their water bill and this might progressively increase by 2050.

We know water is an essential resource and, together with others, we want to work towards eliminating the concern and anxiety about paying water bills in Yorkshire so that our customers don't have to worry about how to pay for their water needs.

WHAT ARE WE GOING TO DO NOW AND INTO THE FUTURE?

- We will always have one of the lowest water bills in the UK.
- Reducing demand on our systems decreases the need to invest in our infrastructure. Maximising reuse of water and tackling waste not only protects the environment but keeps costs down, making bills affordable for everyone.
- We will have a recognised social tariff tailored to suit customer needs.
- We know there may be times when customers struggle to pay their bills. Making use of the information available to us through data sharing and partnerships, helps to target support when it's most needed. We offer flexible payment options, the choice to switch to a meter, water saving advice, WaterSure or WaterSupport tariffs to prevent customers falling into financial difficulties. The same information helps us validate eligibility for support in real-time, removing barriers for applications.
- We intend to build on our excellent track record for preventing customers from falling into debt. We will keep our bills low by understanding customers' needs, tailoring our services to reduce the risk of debt and being easy to deal with. We will identify and collect income from those households who don't want to pay and target help for those who need it, to avoid costs from unpaid bills.

WHAT WILL THE IMPACT BE?

- We will use innovation in everything we do to drive down bills.
- We will work with others to find the best cost solutions that help create additional capacity in our network for a growing population.
- We will work with others to deliver services in the best and most efficient way.



SOCIAL



FINANCIAL



INTELLECTUAL

HOW WILL WE KNOW WE ARE GETTING IT RIGHT?

We'll track our performance by asking customers what they think of our services and their views on value for money.

We'll ask customers if they're aware of the support available to them and make sure they're on the best payment scheme and tariff to suit their needs.

We'll ask how accessible our services are and how easy our bills are to understand.

The number of customers on support schemes will increase to meet the needs of those most at risk.

The number of customers in debt with us will be lower.

We'll monitor our costs and debt record to ensure we compare with the best performers outside of the industry.



HOW THINGS WILL BE BETTER

We believe that our goals are the right way to cope with the challenges that we face, population growth and climate change. We also believe that they are the right way to continue to improve our service to customers and ensure our impact on Yorkshire's people, economy and environment is a positive one.

The goals are challenging and we need to make sure that we are confident that we can deliver them. In this section, we will show you the steps we are taking to make sure that we are best placed to deliver successfully.

OUR COMPANY STRUCTURE

Our Board takes its responsibilities very seriously and works with the company, challenging, supporting and scrutinising, to make sure we deliver on our promises. Our corporate structure and governance is simple and available for anyone to review. Through a series of committees, the people on our Board have access to the right information to make sure the company is on the right track.

As well as the standard board committees which include investment, audit, remuneration, health safety and environment, we also have committees for innovation, IT and data, and social value.

These will evolve and ensure that we remain on track to deliver our vision.

To make sure our company is strong (resilient), we need to look after all of the 'capitals', not just financial and manufactured which is traditionally the corporate focus.

We believe they are all important for company strength and especially important for a company that delivers essential services.

Our Board committees are set up to monitor our company strength across all of these vital areas of the company.

HOW WE CONTROL THE RISKS WE FACE

Like any company, we must be aware of the risks to us delivering for our customers. As a water company those risks are even more significant because failing to deliver high quality drinking water, or allowing sewage to escape into the environment, has a huge impact on our customers. We have also created five big goals with ambitious plans to improve our service and impact. To make sure we can deliver these goals and manage the risks that we face, we need to know what they are and be able to monitor and control them. To do this we identify risks and decide how to manage them all the time. Our risk management processes are overseen by a risk committee made up of senior colleagues and Board members.

HOW WE MAKE SURE WE KNOW WE ARE GETTING IT RIGHT

Reporting performance is another important part of what we do. We serve 5.4 million people and it is vital that we can show them accurately, and in a way that is easy to understand, how we are doing. This applies to all areas of our performance; how we are spending customer's money, how well we are supplying high quality water, how we are collecting and treating waste and how we are impacting overall on our customers and the environment.

We must be sure that all our data is right. To do this we have comprehensive assurance processes that check all the information that we publish. Our Board is accountable for all our reporting and the people on the Board make sure information is right through an audit committee that reviews all our published information. You can find out more about our assurance by visiting yorkshirewater.com/reports

This company structure ensures that we know the challenges we face and what we need to do, we can see and take account of risks that could impact on the services we provide, and report well about how we are doing against the ambitious targets that we have set ourselves.

BOARD CONTROL AND MONITORING

CAPITAL	COMMITTEE	WHAT DO THEY MEASURE
 HUMAN	Remuneration; Health, safety and environment	Diversity, pay gap, well being, Safety and health and environmental pollution
 INTELLECTUAL	Data, IT and innovation and change	Use of innovation and best practice
 NATURAL	Board investment	Our sustainable use of environmental resources: water, biodiversity, carbon
 SOCIAL	Social value	The broad value we deliver, the trust in our company and strength of our partnerships
 FINANCIAL	Audit	Our financial resilience
 MANUFACTURED	Board investment	Our investment and maintenance programme and its impact on carbon

LINKING DIRECTOR PAY TO COMPANY PERFORMANCE

In our annual report we openly publish full details of the salary and other financial benefits received by our executive team, and the methodology we use to decide the right amount. We link executive pay to company performance on customer and stakeholder priorities, and the approach is governed by our Remuneration Committee. Find more detail in the Director's Remuneration Report of the Annual Report and Financial Statements at www.yorkshirewater.com/reports



HOW WE WILL MAKE SURE WE CAN DELIVER THIS?



Our water resources will meet the needs of a growing population whilst keeping bills low



We will not waste water through leakage – we will be creating water for thousands of new homes, whilst keeping bills low



We will enhance and protect the environment through creating rain gardens and tree planting – for everyone to enjoy



Our tailored services will meet the needs of our varied communities



There will be a lot less rainwater in our sewers, creating capacity for houses to be built, keeping the water bill low



Our rivers will be even healthier because by 2050 at the latest, we will have eradicated pollutions from our assets



We will be investing £millions in Yorkshire – helping to support our economy



We will always be open and you can contact us in the way that suits you best

We're one of Yorkshire's biggest land owners

We collect water from three main sources

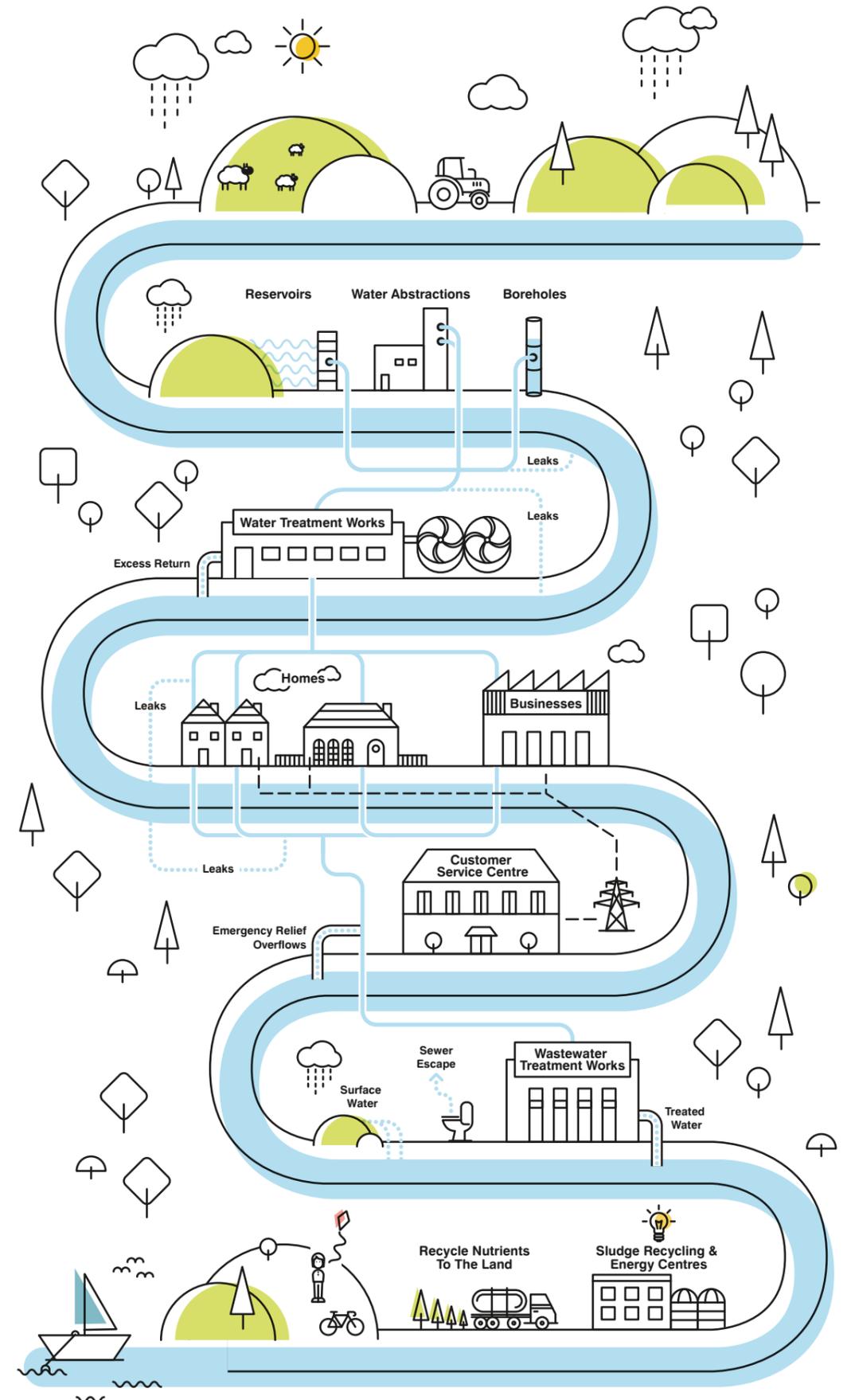
We manage 671 water and wastewater treatment works

We supply water to homes and businesses across the county

Our customer service team support our 5 million customers

We collect 1 billion litres of waste water every day

We safely return water back into the environment



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