Improving performance so our customers, communities and environment can thrive

Our Service Commitment Plan 2024

January 2025 Update

Contents

Please note: If you are struggling to use the interactive elements of this document, please download and open in a pdf-viewer for full functionality.

Our improved 2023/24 performance

We made some positive progress in FY24 in the delivery of our turnaround plan, and are pleased that Ofwat has recognised the improvements we've made by upgrading our rating. We recognise the work that remains to keep improving and have proposed an ambitious business plan for 2025-2030 to allow us to make the vital investment required.

Chris Weston
Chief Executive Officer

On Tuesday 8 October 2024, Ofwat released its annual Water Company Performance Report (WCPR) in which we improved from being a 'lagging' company last year to one performing in line with industry average this year. This measures the performance of all the water utility companies in the UK on their performance against regulatory targets in 2023/24.

The report shows our performance is improving and our turnaround plan is having a positive impact. We have achieved the largest reduction in financial penalties across the industry and are one of only four companies to improve their performance over the year.

Our turnaround is delivering significant improvements, and Thames Water is making progress in many of the areas that matter most to our customers. During the course of 2023/24 we've made solid progress in many critical areas of performance.

Our performance is now at, or better than, Ofwat's performance commitment targets in drinking water quality (CRI), priority services, mains repairs, unplanned outages, sewer collapses and sewage treatment works compliance. In other areas such as pollutions, leakage and supply interruptions, we missed our regulatory targets. These are all areas we are focusing on as part of our turnaround.

However, we didn't meet all of our regulatory targets, and we're fully aware our performance in pollutions and sewage discharges is not where it should be or where we want it to be. We still struggle to meet targets in areas particularly susceptible to extreme weather and which require extensive infrastructure investment over many years. We can't make major performance improvements without the right foundations in place. There isn't a quick fix, but our turnaround plan and a good Final Determination would allow us to sustain these performance improvements.

Recent Successes

Our customers

Our vulnerability strategy was assessed as 'exemplary', with best practice highlighted in key areas

Our performance

Key areas of real improvement demonstrated in Turnaround focus areas – giving confidence in the plan and the activities we're undertaking

Our environmental impact

London Tideway tunnels network completed in May 2024 protecting the River Thames from sewage pollution well into the future

Our Investment

We have secured a liquidity extension up to May 2026 so we can continue with our planned investment and maintenance

WCPR performance

Ofwat groups companies into three categories relative to each other (leading, average, and lagging behind) based on how water companies have performed against their performance commitment (PC) levels.

In 2023/24 no water company was categorised as 'leading', but four companies (including Thames Water) demonstrated improvements to move into the average category.

Given the progress that we have made, Ofwat has rated our overall performance at 'average' compared to 'lagging' in 2022/23. In 2023/24 Ofwat confirmed we met 6 out of 12 common industry wide PCs. It's important to recognise the improvements we have made mean that leakage is now at its lowest level on our network and water quality (CRI), where our performance in 2023/24 saw us ranking 5th in the industry compared to 17th in 2022/23.

Areas of Strength

- Rated 'average' in the recent WCPR – no longer lagging overall;
- Improved ODI performance in 2023/24 with our net ODI penalty (inc. C&D Mex) falling from £101 million in 2022/23 to circa £56 million (an improvement of £45 million);
- Increased number of PCs met: 2023/24 was our joint best performance in the AMP;
- Best performance in AMP for water quality (CRI) and internal sewer flooding;
- Annual leakage lowest it has ever been at 570.35 Ml/d, with a 43 Ml/d reduction in 2023/24; and
- Excluding Guildford, underlying performance in supply interruptions improved

Challenges

- 2024 pollutions underperformance;
- WINEP7 under-delivery;
- The weather has once again shown how fragile our assets are;
- Disappointing 2024 billing and complaints performance; and
- Regulatory regime resulting in increased penalties despite improved performance (e.g., sewer flooding)

Read more on Ofwat's WCPR here

Table 1: Our WCPR performance by PC over AMP7

Ofwat's categorisation of performance	
	At or better than performance commitment level
	Poorer than performance commitment level

Measure (PC)	2020/21	2021/22	2022/23	2023/24
C-MeX				
Priority services				
Leakage				
PCC				
Water supply interruptions				
Water quality (CRI)				
Mains repairs				
Unplanned outages				
Internal sewer flooding				
Pollution incidents				
Sewer collapses				
Treatment works compliance				

Turnaround operational performance focus areas directly or indirectly target residual lagging areas

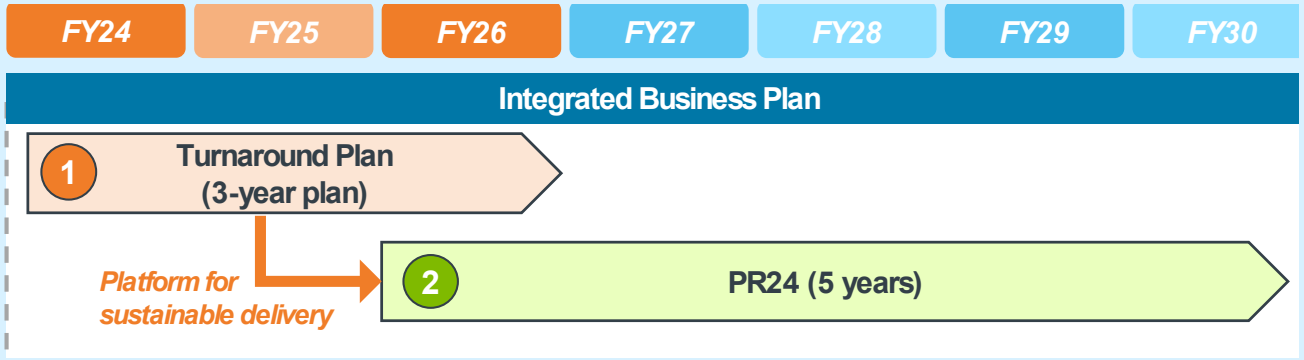
Source: WCPR 2023/24

Performance over AMP7 and beyond

Whilst our 2023/24 performance has improved, sustainable performance improvements will be achieved over longer timescales.

Ofwat's final determination, as part of its 2024 price review process, will tell us how much money we can recover from our customers between 2025 and 2030; it is a critical enabler of our success. We must be clear, that after decades of underinvestment, it will take time to restore asset health to the level we expect and heed.

Our turnaround plan is building the foundations to deliver our AMP8 business plan. We are using data-driven, targeted strategies to address underlying root causes to deliver sustained improvements. Our 'foundational capabilities' workstream aims to build capability and skills in Agile project management and change management across our Turnaround initiative teams, and the wider company, to accelerate progress.



1. **Turnaround Plan** – Aims to stabilise our business and build stakeholder confidence in the Company's ability to improve operational performance, resilience, drive financial efficiency and build foundational capability to sustain performance improvements
2. **PR24** – Leverages turnaround outcomes to underpin an improved operational plan in AMP8

2023/24 was a difficult year for our environmental performance and we recognise that our pollutions performance is not acceptable. Pollutions are directly correlated to rainfall; in 2023 we saw 40% more rain than the year before, causing a spike in pollutions. The prolonged heavy rainfall also led to an increase in sewage discharges to 16,990 from 8,015. As part of our Turnaround Plan, we are prioritising targeted cleaning of the network to prevent blockages, the biggest cause of network pollutions.

The state of our assets is poor, change is more complicated and slower than it should be, and one-off incidents have a disproportionate impact on our performance. This is particularly true for our water quality metric (CRI), where London tends to have a much greater influence on the score than the Thames Valley and Home Counties (TVHC), as the measure is calculated by the size of the population an impacted site serves.

Whilst we have sustained our underlying improvement in water quality (CRI) in 2024/25, we have experienced three water quality events; 1 coliform at Cleeve WTW, 1 clostridia at Dorney WTW and high turbidity (cloudy water) at Shalford WTW. We acted quickly on all these events and didn't have any wider quality issues. Whilst these events surpassed their respective thresholds, there was no public health concern. This highlights the need for continued focus on this critical measure of performance. Our public health transformation programme, including the enhanced Hazard Review (HazRev) and the TVHC intensive care plan, is an integrated improvement plan which continues to work to improve resilience against these types of failures.

"The success of Thames Water matters. I believe that with consistent leadership and priorities, time to deliver and investment, we can turn this business around and make it perform more effectively. Our operational priorities include health and safety, pollutions, water quality (CRI), leakage, supply interruptions and complaints."

Chris Weston
Chief Executive Officer

Reporting on our performance

Reporting our performance is important to keep our business, customers, and stakeholders informed. It also aligns to our open data strategy. We regularly report our performance to both our customers and our stakeholders through different channels including:

Every year we publish our Annual Performance Report (APR), which explains how we're performing as a business. We provide an update on our performance commitments, our levels of service, and the largest impacts on our operational performance for that year.

Annual Performance Report

Via our website - we're committed to improving our leakage performance and making this information accessible to our customers. Our website includes updates to pages on river health, reservoirs, rainfall and leakage. We publish our leakage performance report here.

Our leakage performance

As part of our Annual Report and Accounts (ARA) we report our key performance indicators and our financial performance. Our ARA includes more details on our Turnaround Plan, our proposed PR24 Plan (2025 to 2030) and our governance reports.

Annual Report and Accounts

Via strategic plans - our Water Resources Management Plan (WRMP) and Drainage and Wastewater Management Plan (DWMP) feed into and inform our five yearly financial plan called the Price Review. The WRMP and DWMP describe how we will continue to deliver our essential services over the long-term (at least 25 years) and maintain the performance levels funded through the Price Review. We submit an annual review to Defra, the Environment Agency, and Ofwat, which includes performance-related data.

Water Resources Management Plan

Drainage and Wastewater Management Plan

A business in turnaround

How our reprioritised turnaround plan fits with our SCP

Our reprioritised turnaround plan focuses on areas that'll best improve core performance. Our SCP highlights our plans to improve our performance against specific Ofwat performance targets.

Turnaround priorities

1. Health and safety of our customers, the public, our colleagues, and contractors;
2. Asset maintenance to stem further deterioration of our asset base as far as possible;
3. Performance improvement in a focused number of key areas, notably leakage and pollutions, while holding steady on some other key metrics such as water quality (CRI) and supply interruptions; and
4. Maintaining our downward complaints trajectory.

By focusing our efforts in these areas, we will continue to strengthen our operational and financial resilience to create a stable platform from which to make faster progress in the future.

How we've integrated turnaround into our SCP

In the areas of performance that are common to both plans, i.e. leakage, supply interruption, water quality (CRI) and pollutions, our SCP is fully aligned to our turnaround.

Where the plans don't overlap, i.e. customer satisfaction, per capita consumption, mains repairs and internal sewer flooding, we've provided a less detailed SCP response.

Though we're not specifically prioritising these metrics, we know that by meeting our turnaround priorities, we'll see an improvement in these areas too.

Our turnaround plan uses 90-day planning cycles and Flash reporting to report key deliverables and milestones. Our SCP uses the deliverables from these plans to outline how we will improve our operational performance.

Turnaround: Performance Priorities

Our Turnaround Plan focuses on six key operational performance related outcomes. We are already delivering results through our turnaround through improvements in our operational performance, as evidenced by progress in Leakage, Supply Interruptions (SI), Water Quality (CRI), and HS&W.

The results from Ofwat's 2023/24 Water Company Performance Report (WCPR) confirms the progress we've made against many of the areas that matter most and has reiterated the importance of our turnaround plan.

There is strong alignment between areas of current 'lagging' performance (as seen in the most recent WCPR), and the primary operational focus areas of turnaround:

- **SI, Leakage, Water Quality (CRI), and Pollutions** are direct initiatives within the turnaround delivery plan;
- **PCC** is a key contributor to our leakage reduction goal;
- Key investment levers in our network pollutions response will benefit towards **Sewer Flooding** reduction; and
- Focus on addressing the root cause of **Complaints** is intended to improve customer satisfaction and contribute to **C-MeX** improvements, alongside better operational performance in the round

Tracking progress

Progress on our turnaround plan (and the subsequent performance improvements) is underpinned by diligent planning and reporting. This governance focuses on prioritisation and decision making.

Our turnaround reporting includes:

1. **90-day planning cycle**
Focus for initiative delivery with framework to drive and monitor progress aligned to 3-year outcome
2. **Flash reporting**
Monthly reporting to articulate progress including leading indicators, milestones, key issues, and risks
3. **RAID management**
Management of logged items, implementation of mitigations
4. **Reporting and funding**
Turnaround costs and financial case tracked monthly. Turnaround funding for capex and opex accessed in-line with governance
5. **Executive team**
Board delegates strategy and operation to CEO and Executives. Track delivery through the Monthly Business Reviews
6. **Board**
Board holds Executive team to account through the Operational Oversight and Turnaround Committee

Our 90-day planning cycles, Flash reporting and internal scorecards act as measurable data sources, which we then use to track the effectiveness of action delivery and amend our future plans.

Diagram 1: 2023/24 Turnaround Performance

Our key performance priorities

Pollutions performance

We have a stable and improving Network/Sewage Pumping Station (SPS) performance but challenges delivering overall targeted performance. We are working towards an ambitious 30% reduction through AMP8 aligned with WISER* and driven by root cause focus.

Our aim through turnaround is to address and mitigate major pollution drivers from drain to river through sewage network, pumping and treatment works, including optimised delivery of our proactive network cleaning programme as well as monitoring and better prioritised reactive responses.

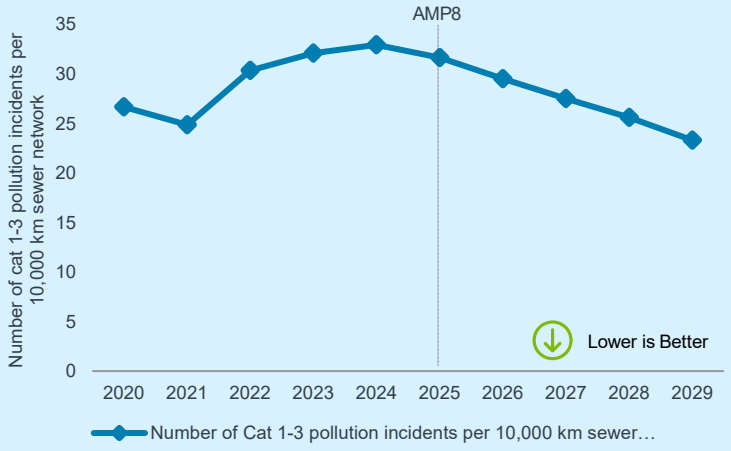
Over the course of 2023/2024, we have integrated our Discharge Alert Monitor (DAM) tool and pollution awareness training to improve data availability and identification of sewage incidents. At the same time, we've launched a new interactive map to make it easier to report pollutions, blockages and leaks. Although overall pollutions has increased, there is a stable and improving performance across network & SPS asset base, largely due to a well-developed suite of proactive programmes of work such as planned sewer cleaning, proactive sewer rehabilitation and customer education.

Our benefits measurement approach includes further independent review of Pollution benefits associated with levers to be completed in Q3 FY25, reviewing benefit methodology, validation and output to enable iteration of strategies to maximise benefit.

*WISER = The statutory and non-statutory strategic steer to water companies on the environment, resilience and flood risk for business planning purposes

2023/24 Performance	Our turnaround target
350 ↑ Total pollution incidents	**38 %** Reduce pollutions over three years
14 ↓ Total serious pollution incidents	**28 %** Reduce storm discharge
16,990 ↑ Storm discharge performance	

Graph 1: Current and forecast pollution performance



Pollutions

Our AMP8 strategy*

In the PR24 plan we have shared with Ofwat, we propose top-down targets to reduce pollutions incidents 30% over AMP8 through our pollution reduction strategy.

Reducing our pollutions is a top operational priority, with significant investment in Networks, Sewage Pumping Stations (SPS) and Sewage Treatment Works (STWs). We aim to achieve this through:

- Continue delivery of our turnaround pollution initiatives which has been developed and refined with external third-party support for around 12 months;
- Launch of online pollution reporting tool and improved upfront triage will increase speed of response and create capacity in the front-line field teams to attend more proactive pollution work;
- Improved software tools (e.g. Discharge Alert Monitor), combined with roll out of pollution training for all front-line staff, and increased operational grip through increased performance reporting and visibility, has improved the ability to identify and respond to incidents at our treatment works; and
- Significant investment to improve performance through AMP8, and aligning our Turnaround plan with annual Pollution Incident Reduction Plan (PIRP), supporting a sustainable, aligned pollution response.

Learn more about our PR24 draft determination here

* Ofwat published the PR24 Final Determinations in December 2024. Thames Water is currently assessing these plans and the above information is subject to change.

Pollutions

Understanding the root causes of poor performance

Pollutions

Our Plan is driven by underlying root causes and leading indicators behind each of our turnaround priorities. Root and branch diagnostic reviews identified levers across Network and Sewage Pumping Stations (SPS) and Sewage Treatment Works (STW).

By identifying our root causes, we were able to identify leading indicators and key issues and risks, as well as set realistic milestones and SMART deliverables for our three-year turnaround plan. Our approach is demonstrated below to explain how we plan to improve our pollutions performance: Our delivery milestones are targeted to address specific root causes and leading indicators:

Within management control | Outside of management control

Our delivery milestones are targeted to address specific root causes and leading indicators:

Root Causes	Leading Indicators	How we set our deliverables	SMART deliverables
1 Regulatory pressures driving up Category 1-3 pollutions	Sewer depth monitor (SDM) availability	S **Specific** deliverables to address root causes and influenced by leading indicators	SMART deliverables
2 Lack of understanding of non-network Pollutions	Planned sewer cleaning programme optimised delivery	M **Measurable** progress through our 90-day delivery planning and monthly Flash reporting	We set deliverables and milestones to improve our performance in more detail on the next page >
3 Misalignment of resources to needs in FY24 leading to sub-optimal activities	Service Level Agreements (SLA) met on priority SDM alarms	A **Achievable** milestones set to deliver incremental performance improvements towards the FY26 target	
	STW critical asset planned maintenance	R **Relevant** deliverables set to focus on turnaround priorities	
	Completion of alarm/generator testing	T **Time-based** delivery across the 3-year turnaround creating a platform for sustainable delivery into PR24	
	Completion of pollution training course		

Our SMART performance improvement deliverables*

Pollutions

Key Deliverables to March 2025 (AMP-end)**	Milestone	Estimated Performance Commitment benefit at FY26
Targeted capital investment programmes, focusing on our 13 most polluting Sewage Treatment Works (STW) to commence	**Mar-25**	38% Reduction in pollutions over three years
Outline required resource pathway to achieve critical asset planned maintenance and alarm testing	**Complete**	
Power resilience programme to make sure site resilience to commence delivery	**Mar-25**	
AMP8 preparation for our capital programmes completes, with delivery to continue throughout the AMP period	**Mar-25**	
Completed turnaround Year1 Km sewer rehabilitation target utilising new process	**Mar-25**	
Sewer depth monitor (SDM) availability to increase ahead of AMP8 installation programme	**Mar-25**	
AMP8 preparation for network capital planned programmes (e.g. sewer rehabilitation and rising mains)	**Mar-25**	
AMP8 preparation for network operational planned programmes (e.g. planned sewer cleaning and SDM alarm response)	**Mar-25**	
Screens AMP8 Preparation complete	**Mar-25**	

* Source: December 2024 Turnaround 90-day plan

** Ofwat published the PR24 Final Determinations in December 2024. Thames Water is currently assessing these plans and the above information is subject to change.

Leakage performance

Leakage

We have delivered our best performance this AMP on Leakage, delivering a leakage reduction of 7% Y-o-Y bringing us to our lowest ever level of leakage following a change to strategy.

Our aim through turnaround is to drive sustainable leakage reduction through better understanding of consumption, targeting of detection activities, prioritisation of repairs and efficient field operations.

Over the course of 2023/24, we've reduced average annual leakage to 570Ml/d, Thames Water's lowest ever level. We changed our leakage strategy in 2024, to prioritise fixing leaks by 'volume of leakage saved' rather than 'number of leaks fixed' which has had a positive impact on the performance. Our delivery strategy is centred on PALM principles: Prevent, Aware, Locate and Mend, with greater emphasis on Prevent and Aware.

Learn more about our work on leakage here

Diagram 2: Leakage 'PALM' Model

'PALM' model	Our strategy
Prevent	• 570km Mains Replacement • Pressure Management • Calm Systems
Aware	• Customer metering • Smart Systems • Asset Operability • Acoustic loggers • Network meters, valves, pressure monitors
Locate	• Leak detection • District Metered Area (DMA) enhancement • Targeting, detection and repair strategy
Mend	• Leak repair • 'Work In Progress' management • Cycle time and age reduction

2023/24 Performance

570 Ml/d

Actual FY24 Annual Average Leakage

7% ⬇

Leakage reduction y-o-y

Our turnaround target

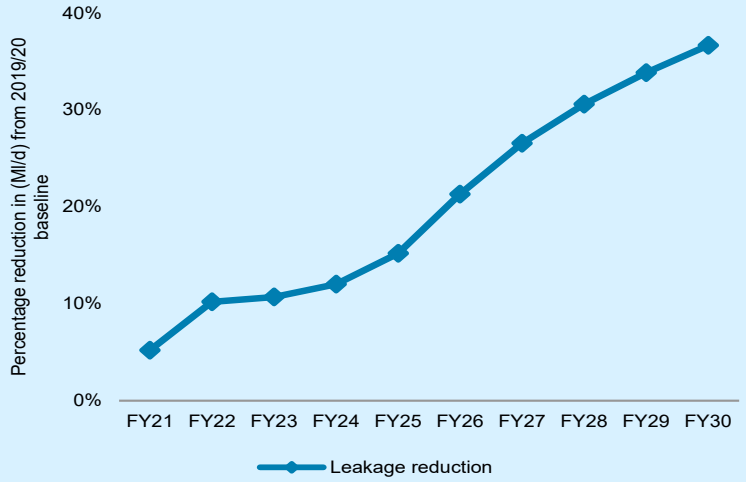
479 Ml/d *

Turnaround FY26 Annual Average Leakage target

22%

Reduce leakage over 3 years

Graph 2: Current and forecast leakage performance



* Turnaround target agreed with the TW board (Nov'23). Note forecasts for FY26 have been updated as part of PR24 draft determination response. Change control will be formalised where necessary following review of PR24 Final Determination

Our AMP8 strategy*

We expect to deliver a 23% leakage reduction through AMP8 equivalent to 119 Ml/d on our projected AMP7 outturn.

The Leakage Transformation Programme and our shift in strategy has laid the foundations for the initiatives within our Turnaround Plan. We're building our understanding of the business capabilities required to support our longer-term leakage strategy for AMP8. This strategy will focus on replacing and maintaining our assets as we recognise the need for greater resilience. This will include continuing to:

- **Deliver our Leakage Transformation Program:** this resulted in clear prioritisation for outstanding leaks based on size and stricter target timelines for repair and enhancement of systems;
- **Improve ways of working:** we launched new ways of working across all front-line operational teams and improving performance monitoring;
- **Better use of data:** we upgraded leakage management systems enabling better demand management and deployed insight tool from smart meters to understand customer usage and target leakage; and
- **Drive innovation** such as Origin No-Dig solution, a self-sealing compound for customer pipes

Learn more about our PR24 draft determination here

Leakage

Our AMP delivery plan

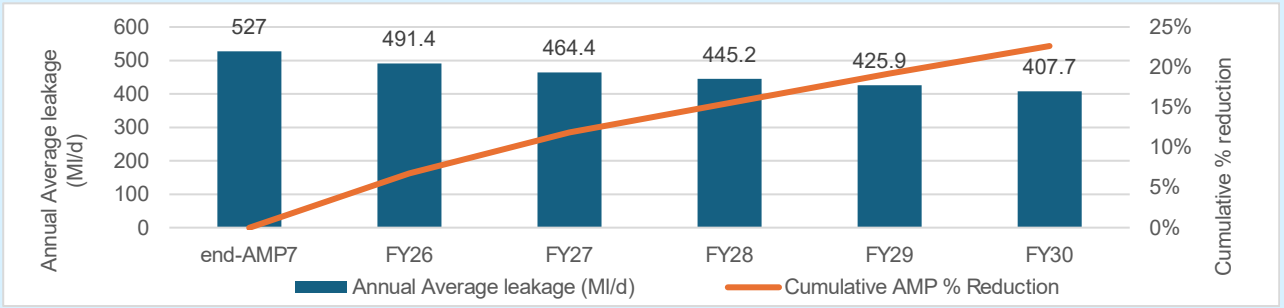
119 Ml/d — Leakage reduction through AMP8 equivalent to 22.6% reduction on projected AMP7 outturn. To-date, in AMP7 (FY21-FY24), we have reduced leakage by 12.0%, on the regulated three year rolling average

£1.2 Billion — Cost across AMP8 to overcome 415 Ml/d per annum base recurrence and severe weather (i.e. keep leakage flat) through leak targeting, detection and repair strategies

£1.6 Billion — Cost across AMP8 to reduce leakage through (i) 'Prevent' strategy delivering 67 Ml/d of mains replacement1 and pressure management and (ii) Industry leading 'Aware' strategy of advanced smart metering, logging and pressure monitors delivering 53 Ml/d through the AMP

([1] N.B. Prevent strategy avoids an additional 119 Ml/d of base recurrence through the AMP)

Graph 3: Our AMP8 Draft Determination Leakage projections



* Ofwat published the PR24 Final Determinations in December 2024. Thames Water is currently assessing these plans and the above information is subject to change.

Root causes of poor performance

Our Plan is driven by underlying root causes and leading indicators behind each of our turnaround priorities. This analysis informs the leading and lagging indicators that underpin our turnaround reporting and provide a pathway to delivering our targets.

Within management control Outside of management control

Our delivery milestones are targeted to address specific root causes and leading indicators:

Root Causes	Leading Indicators	SMART deliverables
1 Complex accountability model with difficulty seeing real-time view of leakage data	Graded leak prioritisation & jeopardy management Total volume (number) of leaks in backlog Percentage of 'Customer Side Leakage' (CSL) leak fixes	SMART deliverables We set deliverables and milestones to improve our performance in more detail on the next page >
2 Shift in strategy to "fix bigger leaks faster"	Number of new connections or voids in-use identified Percentage of District Metered Area (DMA) operability Kilometres of mains refurbished or replaced	
3 Siloed performance tracking leading to a lack of responsibility and accountability	Upgrading & maximising benefit from our acoustic sensors Continue to optimise network covered by acoustic sensors / Fibre Sensing technology	

Find out how we make our deliverables SMART here >

Our SMART performance improvement deliverables*

Leakage

Key Deliverables to March 2025 (AMP-end)**	Milestone	Estimated Performance Commitment benefit at FY26
Delivery of 2.7 Ml/d in new pressure management schemes	**Mar-25**	22% Reduction in leakage over three years
Fibre sensing technology trial for leak detection, as part of our acoustic sensor improvement plan	**Mar-25**	
District Metered Area (DMA) operability increased from 65% to 85%+	**Mar-25**	
UFW Education programme delivered	**Mar-25**	
AMP8 early start activity & readiness completed for AMP8 Delivery	**Mar-25**	

* Source: December 2024 Turnaround 90-day plan

** Ofwat published the PR24 Final Determinations in December 2024. Thames Water is currently assessing these plans and the above information is subject to change.

Supply interruptions performance

Water Supply Interruptions

We have delivered a significant improvement in underlying performance, though 'major' incidents continue to affect overall performance.

Our aim through turnaround is to reduce water supply interruptions, which is measured by the average time customers don't have water for three hours or more.

We reduced our supply interruptions by 15% from the previous year (2022/23). This year (2023/24) we've prioritised restoration of supplies over repair which has had a positive impact on our performance.

However, we continue to feel the impact of large supply events, which this year accounted for half of our overall performance (8 minutes 55 seconds). Our most significant supply interruption was at Guildford, after Storm Ciaran caused supply issues at production sites and impacted 20,000 households.

We're investing £93.1 million of additional funding to secure Guildford's water supply and are taking steps to improve the resilience of our supplies.

Learn more about our learnings on the Guildford events and our next steps here

Our AMP7 interventions have led to improved performance in London, however three challenges impact performance in Thames Valley Home Counties (TVHC) and the overall company performance:

Diagram 3: SI challenges in TVHC

Challenge	Cause/Impact	Mitigation
Thames Valley (TV) underlying performance (contributing 21% of overall SI)	Mains material and topographical pressures driving higher burst frequency and poor network connectivity	'SI coordinators' to focus on continuation and/or restoration of supplies; increased tankering; 'Smart Valve' deployment
Major incidents from trunk bursts (contributing 34% of overall SI)	Extensive time to rebuild system pressure	Air valve maintenance to reduce frequency; trial to enable remote control of strategic valves providing swift isolation and system reconfiguration
Major incidents from TV WP outages (contributing 26% of overall SI)	Power issues or asset failure	Power resilience, resource availability and proactive maintenance to avoid unplanned outages wherever possible

2023/24 Performance

16m 55s

Average property supply interruption >3hrs (mm:ss)

15% ⬇

Interruptions reduction y-o-y

Our turnaround target

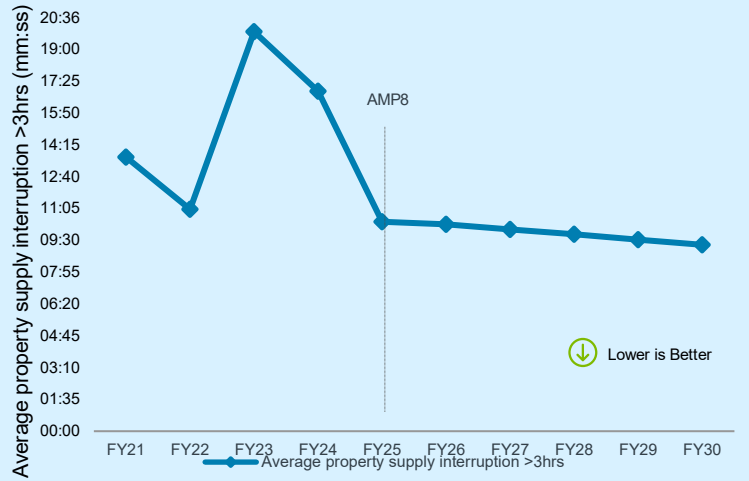
10m 00s *

Average property supply interruption >3hrs (mm:ss)

50%

Reduce interruptions over 3 years

Graph 4: Current and forecast supply interruptions performance



* Turnaround target agreed with the TW board (Nov'23). Note forecasts for FY26 have been updated as part of PR24 draft determination response. Change control will be formalised where necessary following review of PR24 Final Determination

Water Supply Interruptions

Our AMP8 strategy*

We expect to deliver an ambitious overall reduction through AMP8 equivalent to an 11% reduction on our projected AMP7 outturn. We're targeting further improvement in our underlying performance, particularly in TVHC (which aims to increase our 11% reduction up to 21%).

Our AMP8 plan aims for sustainable improvement, targeting underlying performance equivalent to a 21.0% supply interruptions reduction through substantial investment into a large, complex and aging network. This will include continuing to:

- Prioritise the restoration of supplies over repairs: which we know has a positive impact;
- Install incident loggers to better understand the customer impacts during an incident;
- Invest more in our network: including rectification of valve issues, hydrant installs and cross connections where we have poor network interconnectivity and improve maintenance;
- Investigate ways to maintain water supply during pipe repairs and reroute water supply during major trunk main failure; and
- Develop a valve tracking tool enabling near-live status of network

Learn more about our PR24 draft determination here

Our Delivery Strategies

To reduce the interruptions to our customers' supply.

Respond

Incident visibility, Rapid response, Transmission switching and Flood mitigation

Restore

Power resilience, Smart Valve, SI coordinators, Overland boosters, PRVs & riders, and Tankering

Reduce frequency

Production maintenance, Operational throttling, Repair over replace, Hydrant wizard, Proactive maintenance, Calm systems, and Mains replacement

* Ofwat published the PR24 Final Determinations in December 2024. Thames Water is currently assessing these plans and the above information is subject to change.

Root causes of poor performance

Our Plan is driven by underlying root causes and leading indicators behind each of our turnaround priorities. This analysis informs the leading and lagging indicators that underpin our turnaround reporting and provide a pathway to delivering our targets.

Within management control | Outside of management control

Our delivery milestones are targeted to address specific root causes and leading indicators:

Root Causes	Leading Indicators	SMART deliverables
1 Suffered from a deterioration in ability and quality of response	Percentage of shuts with logger deployed Percentage of repairs completed without a shut	SMART deliverables We set deliverables and milestones to improve our performance in more detail on the next page >
2 Ongoing significant disruption from major incidents which remain difficult to forecast & mitigate	Percentage of water production maintenance completion	
3 For AMP8 Ofwat is expected to set more stringent compliance targets	Percentage of Torque assessments to inform transmission switching business case Number of immediate responses	

Find out how we make our deliverables SMART here >

Our SMART performance improvement deliverables*

Water Supply Interruptions

Key Deliverables to March 2025 (AMP-end)**	Milestone	Estimated Performance Commitment benefit at FY26
Learning & Development to complete Supply Interruptions e-learning module	**Complete**	50% Reduction in supply interruptions over 3 years
Torque assessments complete to inform viability	**Mar-25**	
Operational Technology to complete DNP3 (see glossary) protocol trial and signoff for transmission switching	**Mar-25**	
Supply Interruptions foundation training module development roll out to relevant business units	**Mar-25**	
Smart valve system integration completion	**Mar-25**	
Planned outage management controls fully embedded	**Mar-25**	
Asset refurbishment and replacement targeting assets in hotspots & risk locations	**Mar-25**	
Improved management grip	**Complete**	
Expanding engagement network to SMC, System Ops, Control, CD, DS, Leak Detection, Metering.	**Complete**	
Review incident response, availability of incident expertise and pace of mobilisation	**Complete**	
Launch of TV & HC WP intensive care programme	**Complete**	

* Source: December 2024 Turnaround 90-day plan

** Ofwat published the PR24 Final Determinations in December 2024. Thames Water is currently assessing these plans and the above information is subject to change.

Water Quality performance

Turnaround focus has driven significant improvement on failures at large Water Treatment Works (WTW).

Our aim through turnaround is improve water quality performance, measured using DWI's Compliance Risk Index (CRI). Our Water Quality performance has significantly improved with no failures at larger treatment works in London, partly due to major improvement works at Hampton WTW.

This performance improvement has been brought forward through management effort and enterprise, as well as key activities such as accelerating asset maintenance to reduce crucial challenges like ingress that incur significant penalties through cryptosporidium (crypto) failures.

We understand that no water quality event is acceptable to customers, and as such the regulatory target is set at zero. This means whilst we have missed our target, we will receive no financial penalty as our performance is within acceptable tolerance.

The largest influence on our water quality (CRI) score during 2023 was a turbidity failure at Walton WTW, one of our London sites, contributing to a third of the overall score.

2023 Performance

1.43

Water Quality compliance risk index

5th out of 17

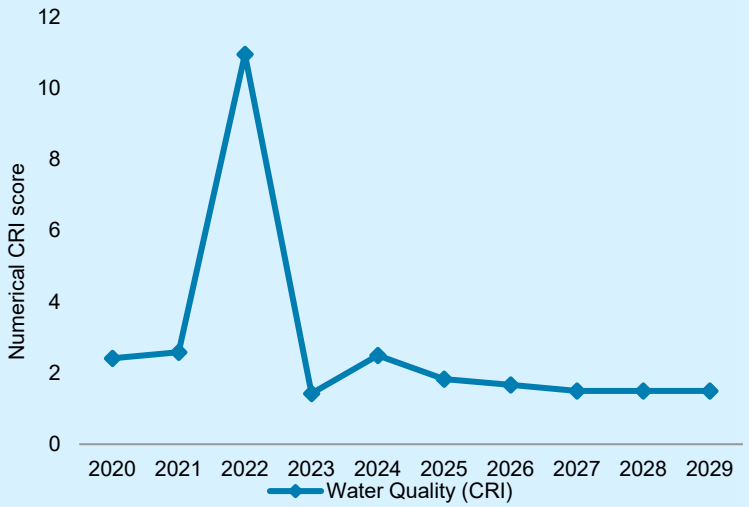
Ranking for water quality performance

Our turnaround target

1.75 *

Water Quality (CRI) target

Graph 5: Current and forecast water quality (CRI) performance



* Turnaround target agreed with the TW board (Nov'23). Note forecasts for FY26 have been updated as part of PR24 draft determination response. Change control will be formalised where necessary following review of PR24 Final Determination

Water Quality

Our AMP8 strategy*

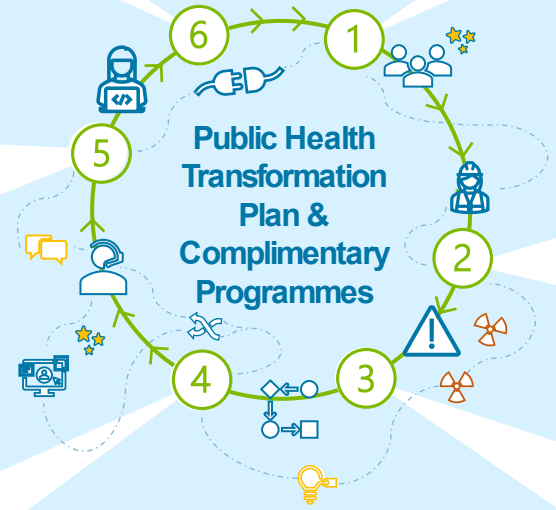
Ambitious 40% reduction informed by industry best practice and Public Health Transformation Plan.

Our AMP8 plan proposes a 40% reduction in water quality (CRI) to 1.5, representing a major reduction in water quality risk and failures. The AMP8 strategy is a continuation of Thames Water's Public Health Transformation Plan, with integrated interventions across key areas of people, assets, risks, processes and customers. This will include continuing to:

- Increase investment in both treatment and distribution assets
- Deliver the Public Health Transformation Plan, a set of targeted interventions on the most common issues
- Reduce rainwater ingress into tanks with increased inspection and repair
- Deliver all our commitments to DWI (e.g. notices)
- Innovate using cell counting technology to give 'early warning' of changes
- Consistently focus on the competency of front-line operations team
- Install UV treatment at two of the largest London WTWs

Learn more about our PR24 draft determination here

Diagram 4: Public Health Transformation Plan Model



1. People / Culture
- Licence to Operate (LTO)
- Management competency
- Digital team competency
- Water quality culture
- Local delivery ownership

2. Assets
- WTW risk reduction programme
- WTW Botex
- Service Reservoir (SR) replumbing
- 570km Mains replacement
- Asset Improvement programme

3. Risk
- Hazard Review program
- Maintenance first
- SR refurbishment & replacement
- Coppermills/Hampton WSSRP
- End-to-end crypto risk management
- UV Treatment
- Thames Valley Intensive Care

4. Processes
- First line Assurance
- Leakage repair processes
- Incident learning
- SCADA upgrades

5. Customer
- Lead replacement programme
- Customer engagement
- Targeted mains replacement
- Southeast London chlorination

6. Digital
- Complementary Programme
- Improving our digital infrastructure

* Ofwat published the PR24 Final Determinations in December 2024. Thames Water is currently assessing these plans and the above information is subject to change.

Root causes of poor performance

Our Plan is driven by underlying root causes and leading indicators behind each of our turnaround priorities. This analysis informs the leading and lagging indicators that underpin our turnaround reporting and provide a pathway to delivering our targets.

Within management control | Outside of management control

Our delivery milestones are targeted to address specific root causes and leading indicators:

Root Causes	Leading Indicators
1 Failures in large Water Treatment Works (WTW) and Service Reservoirs (SR)	Percentage of technician and management competency Number of outstanding inspections for Contact Tanks (CT), Service Reservoirs (SR) and Interstage Tanks (IST) Number of Hazard Review assessments complete Self-help portal live online; number of portal visits
2 Failures worsened by asset deficiencies, such as ingress into contacts tanks or other water structures	Number of sites assessed by flow cytometry Number of sites with complaint sampling facilities Number of assurance checklists completed

SMART deliverables

We set deliverables and milestones to improve our performance in more detail on the next page >

Find out how we make our deliverables SMART here >

Our SMART performance improvement deliverables*

Water Quality

Key Deliverables to March 2025 (AMP-end)**	Milestone	Estimated Performance Commitment benefit at FY26
Create proactive maintenance plans and risk assessments of our air valve asset base	**Complete**	1.75 Water quality (CRI) target
Use of flow cytometry equipment within "business as usual" procedures to enhance coliform failures	**Complete**	
Enhanced Hazard Review Assessments to deliver detailed risk assessment of 34 water treatment works by end of AMP (25 complete)	**Mar-25**	
All Contact Tank, Interstage Tanks and Service Reservoirs inspected and refurbished apart from those requiring major capital schemes	**Mar-25**	
Roll-out Slow Sand Filter (SSF) Asset Health: dashboard as "business as usual", ensure continued adherence to asset standard, review ingress	**Mar-25**	
Grow Licence to Operate (LTO) function into network, further coaching for Network Service Technician (NST), and development of LTO for repair & maintenance	**Mar-25**	
Attendance & inspection of air valve assets across trunk mains and moving into distribution mains	**Mar-25**	
Complete GAP analysis on TAP6 backflow risk, identify sites requiring network back pressure.	**Mar-25**	
Increase final water setpoint to 0.8mg/l	**Mar-25**	
Develop a strategy for dosing chambers	**Mar-25**	

* Source: December 2024 Turnaround 90-day plan

** Ofwat published the PR24 Final Determinations in December 2024. Thames Water is currently assessing these plans and the above information is subject to change.

Other turnaround priorities

Customer Complaints

Our aim is to reduce customer complaints relating to bills and payment, as well as operational concerns, with water and waste services by working with cross-functional teams to tackle root causes and making investments into digital solutions to understand customers' needs better.

2023/24 was a mixed story for household customer complaints. While the overall volume was nearly 10% higher than the previous year, we made good progress in reducing complaints received about the provision of water and wastewater to our customers.

Disappointingly, the number of complaints we received concerning our charges and the issue of bills went up by over 35%. In April 2023, we reverted to reading meters twice a year allowing better billing accuracy. Whilst this should be better for customers, we've witnessed an increase in complaints from customers challenging their bills.

Over the course of 2023, we made significant improvements to service and fully embedded changes to our offshore resourcing partners and team structure. New ways of working within Operations also supported the complaints performance with increased cross company collaboration.

As part of our turnaround plan, we have continued to build on our insight into customer dissatisfaction through deep root cause analysis and now have a better view than ever of the key complaints drivers. As a turnaround priority, we aim to reduce customer complaints by a further 22% by FY26.

We reduced service complaints by

29%

for water, and

19%

for wastewater

We reduced outstanding open fieldwork by

40%

for water, and

25%

for wastewater

We improved service level agreements, which delivered

6%

performance improvement for water, and

8%

for wastewater

And reduced telephone complaints by nearly

22%

However, billing complaints increased by

35%

As we resolved historic issues with our meter read frequencies

Health, safety and wellbeing

Our aim is to protect the health, safety and wellbeing of customers and colleagues by understanding the root causes and proactively addressing the risks faced.

Health, Safety and Wellbeing (HS&W) needs to be at the forefront of all that we do. Through turnaround we will deliver an approach that is robust and data-driven, and identifies and addresses root causes. We will be working with colleagues in Learning & Development to improve compliance on HS&W training, and with leadership to communicate key HS&W messages to the business. We will analyse the asset, occupational and cultural root causes with the aim of reducing work-related injuries and illnesses.

We're completing outstanding incident investigations and developing a review of our processes alongside a working group of internal stakeholders.

Prior to Covid, we had reduced work related ill health absence to single digit cases per annum, however since 2022, and as a result of periods of change and turbulence in the business, these peaked at 34 cases last year. We are focusing on equipping managers to identify work related ill health prior to the point that individuals go absent, and address through stress risk assessments the triggers that are causing it in order to prevent absence.

We've developed a revised Safety, Health and Environment (SHE) programme to ensure senior leaders regularly visit operational sites, with a focus on health and safety.

19% ↓

Reduction in injury frequency rates due to focus to prevents slips/trips during cold and icy weather in the winter (2023/24 performance)

25% ↓

Reduction in lost-time illness frequency rate (based on Sept'24 Year-To-Date position)

94%

Of process safety performance indicators met (2023/24 performance)

WCPR performance targets

Operational performance metrics

Per Capita Consumption (PCC), Internal Sewer Flooding, and Treatment Works Compliance are three WCPR performance targets that sit outside of our key turnaround plan operational priorities. However, by addressing operational performance and business resilience through our turnaround, we expect to see an improvement on overall operational performance through direct or indirect benefits.

Per Capita Consumption

Our three-year average reduction in our PCC has improved by 3.4% year on year, the biggest improvement over the AMP. However, we've missed our target this year. 0.3% of this improvement is attributable to the accuracy enhancements we've made to our leakage calculation.

This year, we've benefitted from a cooler, wetter summer, leading to a much smaller seasonal increase in demand. We've continued to see the cost-of-living crises drive reduced consumption, as well as post-covid hybrid working patterns impacting regional consumption.

In our PR24 Business Plan, we forecast that we will reduce PCC over the rest of the AMP. To do this, we'll:

- Continue our smart metering programme with over 1 million installations in AMP8;
- Use smart data to better understand household and business water demand to improve the accuracy of our water balance; and
- Use smart data to proactively engage with households, businesses and Non-Household (NHH) retailers to drive behaviour change and reduce continuous flows

Internal Sewer Flooding

Our internal sewer flooding 2023/24 performance is our best in the AMP to date and we've improved for the third year running. However, our penalty has increased as the performance target set is incrementally lower each year.

We've had a significant increase in rainfall this year and been particularly impacted by named storms. Due to these climatic conditions, we exceeded our hydraulic (storm-related) flooding target in most months of the year. Floods from other causes have reduced by 10% due to our planned interventions programmes.

In our PR24 Business Plan, we forecast that we will reduce incidents of internal sewer flooding over the rest of the AMP. To do this, we'll:

- Conduct a review of planned activities, focusing on blowbacks and repeat floods, both of which should be preventable;
- Improve our triaging at the first customer contact point and data collection at the first touch point from the engineer; and
- This will allow for quicker investigation and more efficient/ accurate scheduling of follow-on work, whilst also allowing our teams more time to analysis floods and identify trends to improve proactive options to prevent flooding

Operational performance metrics (2)

As our 2023/24 performance Sewage Treatment Works Compliance is within Ofwat's non-penalty parameter, while we've missed our target this year, we didn't receive a penalty for our Treatment Works Compliance Performance Commitment (PC).

Sewage Treatment Works Compliance

We had three compliance failures in 2023/24; these were all one-off events with two of the sites being under greater stress from the inflow increase due to rainfall. All failures were investigated and the root cause identified so that corrective actions could be taken at a site-specific level to reduce the risk of reoccurrence. On completion of these reviews, actions were implemented to mitigate the risk of similar occurrences.

Additionally, discharge compliance risks are reviewed by senior management in monthly Compliance & Pollutions Steering Group meetings to maintain our continuous learning processes and focus on mitigating failures at higher risk sites. We'll continue to increase our focus on discharge compliance and improving operational performance, and we're committed to increasing our resilience by upgrading our wastewater treatment plants through our investment programmes.

For 2024/25, our treatment works compliance metric has felt the same challenges as our wider environmental performance, with heavier than usual rainfall across the year and delays to our Water Industry National Environment Programme (WINEP) caused by macroeconomic conditions, changes in regulatory requirements, challenges with rapid population growth, and changes to the scope of schemes. There have been four failures so far and we will miss our target for this year. These failures will be investigated and incorporated into our performance improvement plans.

Our latest plans on improving our treatment works compliance can be found here

Leadership and Governance

Turnaround Plan benefits

We have a multi-layer turnaround plan governance, each having a clear role and purpose. Within this, the Operational and Turnaround Oversight Committee (OTOC) plays and active role in challenging performance.

The OTOC gives the Board a deep enough understanding of performance to enable Board-level challenge. It creates opportunity for holistic oversight and effective governance of our turnaround delivery, challenging management and holding to account for commitments, as well as guidance on navigating material risks/trade-offs. Our SCP fully aligns to our Turnaround and uses information already approved through the OTOC.

Turnaround Plan governance

Level	Governance	Purpose
1 Steering	Board Committee(s)	**Board members** oversee overall turnaround progress and provide strategic direction and guidance to support success of the programme
2 Leadership	Monthly Business Reviews	**Executive Sponsors** are accountable for overall Turnaround success as they make key decisions, set and review programme targets
3 Day-to-Day Management	Turnaround Management Office (TMO)	**TMO** is the engine room that facilitates the plan's delivery by supporting initiative owners and managing programme risks/issues
4 Turnaround Delivery	Turnaround initiatives	**Initiative owners** are responsible for delivery of projects, so resources and capabilities are in place, and to manage initiative level risks/issues

Operational and Turnaround Oversight

- Turnaround Plan governance and TMO drive accountability and ownership within business and connect different parts of the business together;
- Provide focus and reporting for initiative teams and their Executive Sponsors amid competing priorities, to allow the Executive team to enable critical decision-making; and
- Independent challenge helps prioritise issues and initiatives that are crucial for transformation agenda

Working with our Board and Stakeholders

Our governance framework sets out Executive and Board responsibilities and makes sure that we're focused on the key issues facing Thames Water's regulated business.

All decisions made in these Board, Committee, and Executive meetings are made so that we can deliver life's essential service.

These meeting arrangements are reviewed regularly to make sure the meetings are open and efficient.

Governance over company performance

- **Regular Board meetings**
  Update of turnaround and escalations of SCP, as required
- **Board Operational Oversight Committee**
  Overseeing our operational performance and turnaround delivery
- **Fortnightly Executive Turnaround Committee**
  Overseeing our turnaround plan
- **Monthly Executive meetings**
  Performance review
- **Monthly reports issued to Executive and Board**
  Summary of Company performance
- **Regular Ofwat Performance Meetings**
  Summary of Company Performance & update on our SCP
- **Bi-Annual WRMP Report**
  Summary of Company Performance
- **Regular DWI Meetings**
  Discussion on Company Performance & Water Quality Events
- **Regular EA Performance Meetings**
  Summary of Company Performance & update on our WRMP

- Internal Governance
- External Governance

Find out more about our Board

Glossary

Glossary (A – M)

Acronym	Terms and Definitions
Agile	A method of project management that is characterised by the division of tasks into short phases of work and frequent reassessment and adaption of plans
AMP	Asset Management Plan ('AMP') period is the five-year period covered by a water company's business plan and Ofwat's price control
APR	Annual Performance Report ('APR') shows our performance against the commitments we made in our business plan, reflecting on our performance in AMP7 (the current period 2020-2025)
ARA	Annual Report and Accounts ('ARA') includes information on our financial performance, disclosures, and governance reports
C-MeX	Customer Measure of Experience - is designed to incentivise water companies to provide an excellent customer experience for residential customers, across both the retail and wholesale parts of the value chain
Capex	Capital expenditure is expenditure to acquire, build or upgrade assets such as property, pipes and treatment works
Clostridia	Microorganisms that live in humans and animal intestines, so their presence in water is a good indication of faecal contamination. The bacteria are found in sewers, wastewater treatment plants and anaerobic digesters
Coliform	A group of bacteria found in the intestine and faeces of most animals. In water receiving discharges, faecal coliform bacteria are used to indicate the presence of sewage. The treatment process removes them and disinfection prevents their reappearance in the distribution system
CRI	Compliance Risk Index is a measure designed to illustrate the risk arising from treated water compliance failures, and it aligns with the current risk- based approach to regulation of water supplies used by the DWI
Cryptosporidium	A micro-organism that comes mainly from livestock faecal matter, which can cause sickness and diarrhoea in humans if ingested. It is highly resistant to disinfection in the water treatment process.
CSL	Customer side leakage. This is the loss of treated water from the customer's underground supply pipes (which usually run from the property boundary up to the entry to the premises) rather than from Thames Water' distribution network

Acronym	Terms and Definitions
CT	Contact Tact - a tank designed to allow the water to maintain contact with chlorine for sufficient time to allow disinfection to occur
DAM	Our Discharge Alert Manager product provides a near real-time capability to monitor our STW and CSO discharge points for sewage discharges into watercourses
DNP3	DNP3 is a protocol to transfer large amounts of event/alarm data to SCADA systems via slow or unreliable communications paths
DWI	Drinking Water Inspectorate. It is responsible for enforcing drinking water quality standards in England and Wales and making sure that the appointed water companies comply with the requirements of the drinking water regulations
EA	Environment Agency. An executive, non-departmental government body that has a statutory duty to protect and enhance the environment in England and Wales
FY	Financial Year, running from 1 April – 31 March, e.g. FY23 refers to the year ending 31 March'23
HazRev	Hazard Review. A meeting to review hazards, actions and mitigations relating to water quality and associated assets. These HazRevs are used to update the Drinking Water Safety Plans (DWSPs)
HS&W	Health Safety & Wellbeing – a key priority within our turnaround plan
Internal Sewer Flooding	Flooding event which enters a building or passes below a suspended floor
IST	Inter stage tank. These are tanks within WTWs downstream of the last filter beds that could have an ingress risk
Leakage	Water companies cannot account for - i.e. Water that entered systems but not delivered to homes. Also, a AMP7 and AMP8 performance commitment
LTIFR	Lost time injury frequency rate. The number of lost hours to injury per 100,000 working hours
LTO	Licence to operate. A mechanism to ensure that persons are appropriately qualified to operate a particular site or treatment process
Ml/d	Megalitres per day

For more terms and definitions please refer to our APR Glossary on our website

Glossary (N - Z)

Acronym	Terms and Definitions
NHH	Non household. These are properties receiving water for domestic purposes but which are not occupied as domestic premises, or where domestic dwellings are combined with other properties, or where properties are in multiple occupation but only have one standing charge
ODI	Outcome delivery incentive is a collective term for financial and non-financial incentives that Ofwat has applied to our five-year plan
Ofwat	Water Services Regulation Authority who is the economic regulator of the water service industry
Opex	Operating Expenditure. Payments for the day-to-day operations of our business, such as operating and maintaining our network and treatment works and paying our staff and our energy bills
PCC	Per Capita Consumption. Measure of average water use for each person in an appointed water company's area. Companies are required to report estimates for both metered and unmetered account holders
Pollution incident	Discharge or escape of a contaminant from a contaminant from a water company sewerage asset affecting the water environment
PIRP	Pollution Incident Response Planner
Price Review	The price determination process undertaken by Ofwat every five years to determine cost and revenue allowances. The process includes two stages: a Draft Determination (DD) which allows companies to amend their original business plan submissions, and a Final Determination (FD). This year's price review, PR24, covers the period 2025-2030
RAID	Risks, assumptions, issues and dependencies. These four components provide a framework for identifying and managing potential challenges and dependencies in a project
SCADA	Supervisory Control and Data Acquisition. A system for remote monitoring of industrial plant, it connects assets with central control rooms through the use of telemetry
SHE	Safety Health & Environment (safe system of work) - documents and forms used to monitor and control the safety, health and environmental aspects of various tasks and assets
SPS	Sewage pumping station, a site that sewage flows through a gravity-fed system and then pumped into a larger sewer

Acronym	Terms and Definitions
SR	Service Reservoir - a tank containing drinking water that is usually sited within or near to a water distribution system. It is usually used as a reserve (for example, in cases where the supply from a water treatment works to the distribution system fails)
Supply Interuptions	Properties without a continuous supply of water lost from the first cold tap. Duration is defined as the length of time for which properties are without a continuous supply of water. Duration shall only be considered where the duration is 3 hours or greater, or operationally equivalent to less than ≤3m pressure at the main
STW	Sewage treatment works - a site removing contaminants from domestic and municipal wastewater, containing mainly household sewage, surface drainage and some industrial wastewater
TMO	Turnaround Management Office, the heart of our turnaround team and responsible for managing our plan
Totex	Total expenditure. The mechanism for planning and reporting capital and operational spend
TVHC	Thames Valley & Home Counties, our operational are outside of London
VBA	Virtual blockage alarm. The purpose is to identify very short term (2 week) risk score for a post code for blockages in order to avoid these leading to an escape of sewage
WCPR	Water Company Performance Report issued by Ofwat
WINEP	Water Industry National Environment Programme. WINEP is a list of actions that the Environment Agency (EA) have requested all 20 water companies operating in England and Wales complete in AMP7 to contribute to meeting their environmental obligations
WISER	Water Industry Strategic Environmental Requirements. Water Industry Strategic Environmental Requirements (WISER) was jointly issued by the EA and Natural England to provide a strategic steer to the water companies on the environment, resilience and flood risk for PR19 business planning purposes
WRMP	Water Resources Management Plans. Plans that water companies are obliged to produce every five years that set out how they aim to balance demand and supply over the next 25 years
WTW	Water treatment works - a site where raw water is treated and put into supply

For more terms and definitions please refer to our APR Glossary on our website