

Final Assurance Plan

Our assurance programme for our
2025–26 performance information

31 March 2025



from
**Southern
Water** 

Contents

3	1. Introduction
4	2. Context
4	2.1 Ofwat
4	2.2 Our Business Plan for the period 2020–25
4	2.3 Our Business Plan for the period 2025–30
5	2.4 Wastewater investigations
6	3. Continuous stakeholder and customer engagement
6	3.1 Customer engagement
6	3.2 Stakeholder and regulator engagement
7	3.3 Final assurance plan
7	3.4 Summary of risks, strengths and weaknesses
8	4. Our approach to assurance
8	4.1 Types of assurance
10	5. Final Assurance Plan for 2025–26

1. Introduction

At Southern Water we provide essential water services to 2.6 million customers, and wastewater services to more than 4.6 million customers across Sussex, Kent, Hampshire and the Isle of Wight. We provide water for life to enhance health and wellbeing, protect and improve the environment and sustain the economy.

The purpose of this publication is to set out our assurance plan for our performance reporting in 2025–26. Customers and other stakeholders expect that the information we present to them about our performance is accurate, accessible and fully assured. In completing our assurance plan we have engaged with our stakeholders, and will continue to do so to give confidence in the information we publish and make long-lasting improvements to the way we do things.

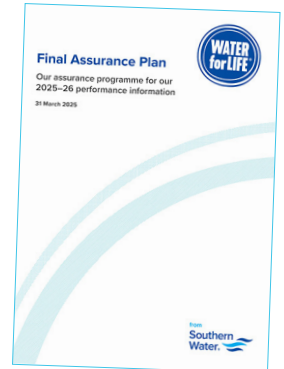
We take full responsibility for the information we publish on our performance and seek to provide confidence to customers and stakeholders through a transparent approach to data assurance. This assurance provides confidence in our reported performance and the delivery of promises made in our 2020–25 business plan.

We continue to deliver a greater level of trust and confidence in our reporting than has been achieved in the past. The assurance activity we undertake around the information that we provide to customers and stakeholders is one of the critical elements we have put in place to secure that trust. In addition to our own internal assurance teams and processes which we strive to continually improve, our highest risk performance data is assured by an independent assurer.

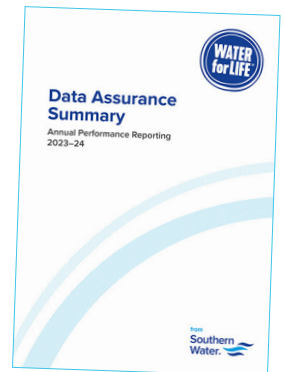
Our technical assurance framework agreement in place for our five-year Business Plan period 2020–25, allows us to appoint the most suitable assurance partners to different technical assurance projects. KPMG and Jacobs are now completing their final year in this role.

This document is one of three relating to assurance that we publish during the year as part of our annual assurance cycle for customers, stakeholders and regulators:

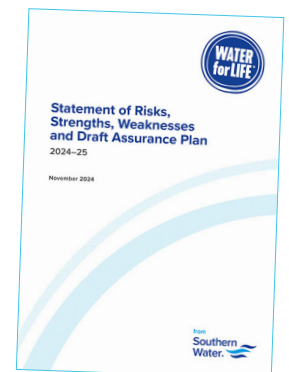
Final Assurance Plan (this document) which takes on board comments from our consultation on the Statement of Risks, Strengths and Weaknesses and Draft Assurance Plan; [Final Assurance Plan](#)



Data Assurance Summary (in July with our Annual Performance Report) [Annual reporting](#)



Statement of Risks, Strengths and Weaknesses and Draft Assurance Plan for consultation (published in November) [Our reports](#)



All three documents focus on the quality of our information reporting and governance.

2. Context

The role of our regulators is of paramount importance to the effective operation of the water industry.

It is critical that our conversations on performance with our customers and other stakeholders are underpinned by accurate information.

2.1. Ofwat

As part of its agreement on funding for our business plan, our regulator, Ofwat has set out a number of promises and performance commitments that we are required to make to our customers. In addition to ensuring our performance data is transparent and accurate, we also seek to ensure customers and stakeholders can access and understand relevant information.

2.2. Our Business Plan for the period 2020–25

We have now completed the final year of our five-year Asset Management Period (AMP7) taking us from April 2020 to end of March 2025. Our Final Determination was published by Ofwat on 16 December 2019 and set out a number of promises and performance commitments we made to our customers. In addition to ensuring our performance data is transparent and accurate, we also strive to ensure that our customers and stakeholders can access and understand our performance.

We will ensure that we can effectively report our performance against these and have identified the risks and controls that we have adopted to support the provision of accurate information about our performance.

The financial year 2024–25 also saw us move into the last phase of our Turnaround Plan,

tackling the issues that matter to customers and continuing to make operational changes across the business to improve performance. Our Plan is underpinned by the performance data we assure through the Annual Performance Report and aims to speed up performance improvements where they're needed most. Our Board reviews progress against these clearly defined goals each month.

Our Turnaround Plan and the latest progress updates are available on our website here: [Our plans](#).

2.3. Our Business Plan for the period 2025–30

On 28 August 2024, we submitted our response to Ofwat's Draft Determination on our latest business plan for the five-year Asset Management Period (AMP8) which will take us from April 2025 to end of March 2030. This has also been published on our website here: [Our plans 2025–30](#).

The final confirmation of our business planning for the period 2025–30 is captured as part of the Final Determination which was issued by Ofwat in December 2024. This Final Determination introduces on 1 April 2025, a new set of performance commitments to the business and associated with these commitments will be pre-determined financial incentives based on their achievement.

Ofwat have also introduced a set of price control deliverables (PCDs) with associated financial incentives based on the PCD outcome and/or outputs to deliver as part of the scheme or the group of schemes. We will be required to report progress on these, and other enhancement schemes to Ofwat. We will ensure we can accurately report against these and identify the risks and controls to support provision of accurate information about our performance.

The development of these processes has already commenced, and a key aspect of our regulatory assurance work in 2025–26 will be auditing these processes and ensuring that effective risks and controls have been identified and have been embedded within our reporting cycles.

2.4. Wastewater investigations

As reported previously, Ofwat undertook an investigation into our wastewater reporting between 2013 and 2017 that led to a decision to impose a financial penalty of £3 million on conclusion of the investigation in October 2019. In addition, we agreed to make significant customer bill rebates, totalling £122.9 million (in 2017–18 prices), between 2020 and 2025. On 8 October 2019 we signed formal Undertakings pursuant to Section 19 of the Water Industry Act 1991 relating to the numerous changes we have since put in place, and are now embedding, to ensure that the issues identified in the investigation have been stopped and cannot be repeated.

In our October 2024 update to Ofwat we were able to report that we have now completed the delivery of the programmes of work and embedment plans that support the S19 Undertakings. Our September 2024 assurance review included broader programmes of work to support our compliance with our broader duties as outlined in Section 94 of the Water Industry Act 1991 and the Urban Wastewater Treatment Regulations 1994 (UWWTR).

We delivered plans for improved transparency on environmental performance information on our dedicated [website](#).

The information available includes pollution incidents, wastewater flow and spill reporting, wastewater treatment works final effluent compliance, regional bathing water compliance results, carbon emissions and river levels.

3. Continuous stakeholder and customer engagement

3.1 Customer engagement

Listening to our customers is part of what we do every day. This includes activities such as customer research, analysis of data (e.g. contact data, complaints of social media monitoring), sharing insight with other companies and tracking of customers priorities and their expectations. Our insight work allows us to have a deep understanding of what our customers want and help to drive improvements in what we deliver.

In 2024–25 we engaged with over 50,000 customers for direct feedback and views on our service and future plans, representing over 10,000 hours of engagement. We have analysed millions of data points including social listening, complaints, demographic data and externally produced reports.

Our Water Futures 2030 (household customers) consumer group continue to be central to our engagement with customers in the last year. Our Customer and Communities Challenge Group, made up of experts, helped review, challenge and improve our plans. The groups follow best practice guidance, as set out by the Consumer Council for Water (CCW), to provide a continuous dialogue on both our current delivery and future planning. Increased public scrutiny of the sector and increasing investment plans for the future has placed greater emphasis on our need for continued engagement. We track major events, media impact, importance of priorities, run social listening and analyse consumer trends.

As we enter 2025–26, data continues to show concern for the rising cost of living. Customers have felt that the costs have increased above income levels, and they are making choices about how best to spend their money – and some are really struggling to make ends meet. With the increase to water bills, our customers want to be able to understand that investment in the infrastructure puts them first by protecting their local environment and ensuring reliable services for future generations. Those that are struggling most need access to the right level of support to help. Customers want to see what is happening in their own local community and our detailed insight helps personalise our engagement to provide the most relevant information that they want to see.

Our focus for the next year is on how insight can help drive the transparency needed with our customers. We're evolving our Challenge Group to have a more transparent group of experts, where their recommendations and actions taken by Southern Water can be seen by our customers. Our tracking is focusing on several of our major capital programmes across the region, so our insight can support customers to better understand the increase to investment and the impact on our communities.

Being open, honest and transparent is key to building and maintaining trust and legitimacy. As well as reporting openly, this means setting out commitments to our stakeholders and delivering on them. True transparency, for example through our Rivers and Seas Watch spills service, will raise customers' visibility of what we are doing to address the issues we face. As a result, we are working hard to help our customers understand the issues, and to give more visibility of key improvement programmes to support our performance.

3.2. Stakeholder and regulator engagement

Drinking Water Inspectorate

We have regular and close working arrangements with the DWI. This includes regular and open liaison with the DWI on our overall approach to providing wholesome drinking water. We have a varied programme of activity helping to improve our information management systems and process, including a risk-based review of monitoring, procedures, and manual intervention involved in all critical information systems. This package of work commenced in 2018, and a programme of asset and IT improvements designed in cooperation with the DWI has now concluded. This work was within the scope of our Section 19 Information Management Undertaking (IMU) with the DWI which formalised this element of our programme. The resulting programme included a package of actions to assess and address the risks to data management. Key deliverables include a new GIS (Geographic Information System Mapping) that allows us to better understand the location and configuration of our infrastructure assets. The delivery of the programme has been reported to the DWI as part of a formal governance process and the final IMU progress report was reported to the DWI in March 2025.

Environment Agency

The EA released the Environmental Performance Assessment (EPA) for 2023 in its annual report on the environmental performance of the nine English water and sewerage companies. The end-of-year performance report outlines that we have retained our two-star environmental performance rating of 2023. As a company committed to protecting the environment and serving our customers, we will continue to drive through the changes necessary to positively impact our performance.

Increased monitoring is essential to improve our wider environmental performance and to achieve a significant reduction in the use of storm overflows. We continue to invest in improvements to the timeliness and accuracy of our data. Event Duration Monitors (EDMs) remain an important part of monitoring the quality of our waters and providing accurate information on sewage discharges. We now have EDM coverage across 100% of our storm overflow outfalls, including inland outfalls. Our on-going programme of maintenance ensures that we can maintain at least 95% availability of these assets.

We have a mature programme of installation and active monitoring of maintenance in place to support this programme. Any EDM that has not reported for up to three days is automatically added to our maintenance schedule and is actively tracked to ensure completion of the task. In addition to this regular review of EDM availability, less reliable monitors are being phased out of the estate. This is allowing us to push our EDM availability to beyond 95% (we expect this to keep progressing through the year).

Following feedback from our working group, customers, and an independent review, we have been working hard to develop a new and improved version of Beachbuoy, called Rivers and Seas Watch, which was launched in June 2024. Our Rivers and Seas Watch tool provides near real-time information about storm release activity near coastal bathing waters through an interactive map, pop ups and release table. This 24/7 reporting provides information about any release and its frequency. Rivers and Seas Watch is a critical part of our dedication to transparency, and we regularly ask for feedback from our User Group which includes councils, campaign groups and bathing water users to ensure the best possible service.

3.3. Final assurance plan

We understand the information we share needs to be accessible to all stakeholders and delivered in a clear manner which is relevant and useful. As part of our annual assurance cycle, we developed our Statement of Risks Strengths Weaknesses and Draft Assurance Plan.

3.4. Summary of risks, strengths and weaknesses

Our latest risks, strengths and weaknesses exercise was published in November 2024. It highlighted the areas of reporting that have the most significance or are of greatest risk to customers. For these areas, the company will put in place independent external assurance as part of its assurance plans.

In our statement we identified the significant improvements we have already made to the collection, reporting and presentation of our performance information. However, we remain committed to continually improving and have identified the following risks, strengths and weaknesses in our performance reporting.

4. Our approach to assurance

Our approach to assurance of performance information focuses on maturing our first line control environment to support and build confidence in our data quality.

At Southern Water we align our assurance to the 'three lines of defence' framework for our reporting governance and assurance activity. This helps to assure performance information by applying multiple levels of control.

We apply internal controls and have improved processes in place to mitigate the risk of supplying incorrect or inaccurate information on all our non-financial regulatory reporting. Ultimately, all assurance activity has oversight from the Audit Committee and Board.

The Audit Committee monitors the integrity of our non-financial information reported by the company in fulfilment of its regulatory, legal and environmental obligations. This includes information required by Ofwat, the DWI and the EA. The assurance plans are approved by the Audit Committee, which is responsible for overseeing and challenging the effectiveness of our approach.

Southern Water is committed to driving continuous improvement to support the embedment of a modern, transparent and ethical compliance framework under our Modern Compliance Framework. We continue to significantly strengthen our performance monitoring capability which underpins the completeness and accuracy of our performance data and provides more confidence in the information we publish.

4.1. Types of assurance

Whilst the assurance requirements for our different regulators are different, we have a standard approach to the way we prioritise and plan assurance across all our non-financial regulatory reporting across our main regulators:

- Ofwat;
- The Environment Agency (EA);
- The Drinking Water Inspectorate (DWI);
- The Consumer Council for Water (CCW).

The focus of our work is on the provision of risk based second and third-line assurance over information that is provided to our regulators and the end-to-end processes that support the collection and analysis of that information. The range of different activity that could be undertaken means that each potential area of work will be risk assessed to ensure that work is focused on areas of highest risk. The different types of assurance that we undertake include:

Controls monitoring and assurance

- Assurance over the operation of specific controls that have been identified within Risk and Control Matrices and Ofwat Compliance Framework documentation;
- Activity can range from control monitoring (the 1st line is operating its controls), through to evidence-based reviews of the effectiveness of control operation; and
- Evidence reviews to ensure effective control can be demonstrated.

Assurance over data reported to regulators

- Assurance over monthly/quarterly/annual/event-based information provided to regulators;
- Mandatory requirement at year-end (Ofwat);
- Best practice and risk-based approach for assurance over reporting to other regulators; and
- Risk based approach to whether assurance provision is internal or external unless otherwise prescribed.

Assurance over regulatory action plans

- Specific assurance activity (internal and external) over action plans that have been agreed with Regulators; and
- Activity can be driven from business plans and regulatory enforcement undertakings. .

Deep Dive – risk and control maturity

- Consideration of risk and control maturity around our reporting to regulators;
- Consideration of the identification of end-to-end risks and controls;
- Aim to improve maturity of risk and control identification and evidence; and
- Can be applied wider than just regulatory reporting and areas for review will be linked to the Register of Obligations and our Enterprise Risk Register.

Themed reviews

- Audits of specific areas of high risk and non-financial regulatory issues; and
- Derived from analysis of areas of risk and weakness and our on-going stakeholder engagement.

5. Final Assurance Plan for 2025–26

In Table One we outline the main elements of our Assurance Plan for 2025–26. Our assurance plan is set out in line with our ‘three lines of defence’ framework of assurance and is also a response to the key risks and areas of weakness highlighted as an output of the Risk Strengths

and Weaknesses report as well as taking on views from our ongoing engagement with regulators, our external assurers and customers. The vast majority of the activity within the Assurance Plan is prescribed by our regulators.

Table One: Final Assurance Plan 2025–26

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Compliance, Corporate Affairs AND Delivery	Ofwat Annual Performance Report (APR), including Performance Commitments and Outcome Delivery Incentives (ODIs); Cost Assessment Tables	<p>We believe customers should be able to trust our reporting of all our non-financial performance information.</p> <p>Independent external technical assurance providers complete reviews of our regulatory compliance reporting processes and associated data, as well as reporting to our board, Executive Leadership Team (ELT) and the Audit Committee. This information is published in our Annual Performance Report and is detailed in our Data Assurance Summary.</p>	<p>Year-end non-financial assurance – external assurance and internal assurance.</p> <p>A risk assessment has been completed of all the reporting processes to determine whether assurance will be internally or externally provided.</p> <p>An independent assurance provider will identify its own approach to conducting audits including its own risk assessment and testing methodologies to deliver its conclusions.</p> <p>Testing of the high and critical risk data lines for performance commitments and the cost assessment tables will be performed by an independent assurance provider. Low risk testing will be undertaken in-house.</p> <p>As we develop our approach to regulatory reporting the emphasis will move towards the level of maturity of our control environment.</p>	<p>Established approach for assuring end of year Ofwat APR information provided.</p> <p>This will continue for the remainder of the current business plan period.</p>
	RC26 mid-year assurance	<p>AMP8 will introduce new reporting measures that have not previously been reported, or that have only been reported as shadow metrics at the end of AMP7.</p>	<p>We will undertake detailed end to end process assurance over the risks and controls associated with the production of these new measures.</p>	<p>Established approach which will continue taking account of any evolving regulatory requirements.</p>
	Annual Report and Accounts, including financial APR data	<p>We have a statutory obligation to ensure that our financial accounts are robust, accurate and complete.</p> <p>Our Annual Report is the primary way we publish our annual performance information, and it is made publicly available to all stakeholders. The annual report includes our statutory accounts and our performance over the year and how this compares against our performance commitments as well as broader information on our commitments and responsibilities to stakeholders and customers.</p>	<p>Methodology and data are subject to three lines of assurance with our financial auditor, Deloitte LLP, performing third line assurance in accordance with the appropriate accounting standards.</p> <p>Our financial auditors will carry out assurance of reported performance data and presentation of information and risks.</p>	<p>Established process which will continue taking account of any evolving regulatory requirements.</p>

Table One: Final Assurance Plan 2025–26 continued

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Delivery	Delivery Plan, Delivery Action Plan and Delivery Plan progress report for 2025–30 assurance	Our Delivery Plan will set out the milestones for the completion of our capital delivery programmes and our PCD output targets for 2025–30. Our Delivery Action Plan will set out the actions we propose to expand our delivery capacity. Both plans are subject to monitoring through the Delivery Plan progress report.	Ofwat require us to publish assured versions of our Delivery Plan and Delivery Action Plan on our website in line with publication of our Annual Performance Report in July. We are also required to report progress against both plans to Ofwat, at least every six months and up to three months. Where Ofwat specify that external assurance is required, we will procure this through an appropriate third party. Where the information falls outside of this, we will undertake second line assurance.	New requirement for 2025–30.
	Large Gated Schemes	Very large capital delivery schemes will require regulator approval at defined milestones or 'gates' and will be externally assured at each gate. Ofwat requires external assurance over schemes at each gate and we will not be able to proceed to the next gate until assurance has been undertaken.	Technical assurance will assess our schemes from an engineering and investment perspective. Commercial assurance will assess the cost estimation element by looking at efficiency of our schemes and changes to costs since the business plan was published.	New requirement for 2025–30.
Digital and Water	Security of Network and Information Systems (NIS) and Cyber Security assurance	The Security of Network & Information System Regulations provide legal measures to boost the level of security (both cyber and physical resilience) of network and information services for the provision of essential services and digital services.	We will ensure the second line assurance team have oversight of the NIS annual return. In 2024 we commissioned a review by independent cyber specialists following the cyber security attack. We will conduct a follow up review on this in 2025.	New approach from 2024–25.
	WRMP24	Assurance over revisions to the final plan following regulator feedback.	We will submit our final WRMP24 to Defra in March 2025 and once approved, publish the plan. If Defra recommends material changes to the plan, assurance will need to be repeated to allow the Board to approve publication.	Established approach.
Compliance	Ofwat Undertakings	In June 2019, Ofwat issued a notice to impose a penalty on Southern Water following their investigation which highlighted significant failings relating to the management, operation and performance of our wastewater treatments works. As a result, Southern Water has committed to implement a range of financial and non-financial measures ('Undertakings').	Southern Water is required to report progress against Undertakings on a half-yearly basis over the next five years. We are currently in discussion with Ofwat about the close out of these undertakings. The current potential scope of this work going forward is not yet clear.	Established approach.
	Reporting to the DWI	We provide a significant amount of information to the DWI with respect to our assets, our drinking water data, and our water quality sampling.	All annual data returns provided to the DWI, and the water quality sampling programme, will be subject to first line control and will also be the subject of second line assurance.	Established approach.
	Annual Report to CCW	CCW is the statutory customer representative body for the water industry. We want to ensure that the information provided to them on a quarterly and annual basis is accurate.	Much of the information provided in the returns comes from our Ofwat Performance Commitments – this data is assured under our Annual Performance Report assurance processes (see above). Where the information falls outside of this, we will undertake second line assurance.	Established approach.

Table One: Final Assurance Plan 2025–26 continued

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Compliance	Carbon Accounting Workbook	An Ofwat requirement aligned to the APR submission, this detailed tool calculates our greenhouse gas emissions and other carbon data.	We will engage an external assurer to complete technical assurance of our Carbon Accounting Workbook. This will be carried out as part of our APR year-end process.	Established approach.
	ESG reporting	Sustainable Investment Bonds – as a result of raising over £1bn of sustainable bonds, one of the mandatory requirements is to report to our investors on an annual basis and provide them a report annually on the impact their investment has had on our ESG (environmental, social and governance) credentials, this is known as an ‘impact report’.	The first report for Southern took place in the 2020–21 reporting period by external assurers. External assurance to take place annually.	Established approach.
	Ofwat Operating licence	We have a wide range of obligations to meet as part of our Ofwat licence to operate. We want to ensure that we can demonstrate that our activities as a business align to these requirements.	Second line assurance will be undertaken as part of an annual review of our Ofwat Operating Licence. This will be our fourth annual review.	Established approach.
Wastewater and compliance	Reporting to the EA	Historic and ongoing investigations into the company from the EA means that we are under significant scrutiny over the information we provide.	<p>Regulatory reports provided to the EA will be subject to first line controls.</p> <p>Areas of reporting that have been analysed as higher risk will be subject to second line assurance.</p> <ul style="list-style-type: none"> • Annual Total Daily Volume (TDV) Flow Data • EDM Return – Stormwater & EO Spills – Annual – Emergency • EDM Return – Stormwater & EO Spills – Annual – Storm • Stormwater & EO Spills – Bathing Waters – Storm • WwTW Effluent & Groundwater Annual Reporting • WwTW OSM Annual Summary Report • Wastewater OSM Sample Programme • Wastewater UWWTR Sample Programme • Landfill Regs Routine Reporting – Leachate, Gas & Groundwater monitoring data (across three works) • Daily abstraction of all sites (inc. WTW) – Annual Return • Sludge Quantity & Quality • Supply/Demand Balance <p>Improvements to our spill reporting to the EA will be subject to external assurance as part of our Ofwat Undertaking.</p>	Established approach.

Table One: Final Assurance Plan 2025–26 continued

Alignment to Principal Risks	Risk area	Why?	The assurance we will be doing	Established/new
Wastewater compliance	Pollution Incident Reduction Plan	Our Pollution Incident Reduction Plan is updated annually and sets out how we will achieve a reduction in pollution incidents. This is also crucial to our work to improve our rating in the Environmental Performance Assessment.	We will undertake annual second line assurance over our Pollution Incident Reduction Plan to assess effectiveness of the current plan against meeting our targets.	Established approach.
Water	Western Area Strategic Solution (Water for Life – Hampshire)	We have committed to working with other water companies to address our water resource issues and have several proposed solutions in scope for development. The work is being overseen by RAPID (Regulators' Alliance for Progressing Infrastructure Development) comprising representatives from Ofwat, EA and DWI. The funding agreement with Ofwat for 2020–25 states we are required to obtain “external assurance of data and approaches supported by Board statement”.	Assurance has continued ahead of reporting milestones to RAPID. The second line assurance team will continue to provide support to the programme to ensure we meet RAPID's requirements, and that activity aligns with the PR24 business plan and WRMP24.	Established approach, expected to continue into 2024–25 in line with RAPID milestones.



southernwater.co.uk

You should send any comments to:
regassurance@southernwater.co.uk