

# **PR24 – Your Water, Your Say**

## **Friday 9 June, 2023**

### **Introduction**

Your Water, Your Say was held on Friday 9 June.

It was hosted by Kevin Johnson, independent chair appointed by Ofwat and supported by James MacKensie from Council for Consumer Water.

Southern Water was represented by:

- Lawrence Gosden, Chief Executive Officer
- Bob Collington, Chief Operating Officer
- Stuart Ledger, Chief Financial Officer
- Katy Taylor, Chief Customer Officer

A total of 131 participants joined the session representing customers and regional community and special interest groups.

While questions were invited in advance, additional questions were received via the Teams Chat facility. This document provides a thematic response to the questions received. Where a number of questions were similar, a common answer has been provided rather than addressing each question individually.

Additionally, where specific information was requested and Southern Water agreed to provide direct follow up, this has been noted.

The presentation that was provided is available on Southern Water's website - <https://www.southernwater.co.uk/our-story/our-plans/your-water-your-say>

# 1. Theme 1 – Reliable Supply of Water

## LIVE - What are you doing to tackle leakage?

- Our current leakage is 97.7MI/d against a target of 90.8MI/d
- Our leakage level is well below the industry average at 17% (the proportion of water running through pipes which is lost via leaks)
- Despite significant increases in water usage and the extreme weather effects of climate change putting more pressure on our ageing system, we're moving quickly to fix leaks, strengthen our supply of high-quality water and reduce the demand on that supply.
- We're making huge investments and changes to the way we tackle leakage, installing over 7,500 acoustic detectors to proactively detect leaks, fixing more than 22,000 leaks a year with our 300-strong expert team, working with local authorities to fix leaks on roads more quickly and using satellite technology to spot leaks using ground penetrating radar.
- We're currently behind in our 5-year plan, at the end of year, largely due to the impact of Covid on our operations. However, we now have a number of different programmes to get back on track which include:
  - Increasing the number of crews working on leakage
  - Activating new sensors across the network
  - 'Calming' the pressure across the network where it is too high
- We expect to be back on target by 2024/2025
- In the next regulatory period, in addition to the continued investment in the programmes that are ongoing, we also have a programme to introduce smart meters which will help us to better understand where we're losing water across the network

## LIVE - Your annual mains renewal rate is 0.1% over the last five years. This means that mains are expected to last for more than their designed 100 years. How do you expect to get leakage under control at this rate of replacement?

- Our rate of mains replacement has been low over the last five years because we have prioritised investment at our water treatment plants.
- Over the next five years we plan to replace over 600km of our mains network, that's double what would normally be done over a five year period.
- Our leakage level is well below the industry average at 17%

## LIVE - What are your top three objectives for improving the quality of your water?

1. Upgrading our plants - To improve the reliability of supply from our larger water treatment plants we need to significantly invest in our four largest treatment plants
2. Ensuring we meet all regulatory standards – making sure that our major water treatment plants are fit for the future, not just for the next five years but beyond
3. Keep pace with standards - That all our treatment works not only continue to meet the very stringent standards set, but also that that they continue to meet the increasingly high standards that we see coming in the future

## What are you doing to build resilience into your water supply network and stop the recent loss of supply issues that we have seen across the Southern Water region?

- There is significant investment planned at our four major water supply works to safeguard against the operational failures seen at Otterbourne and Hardham
- We're investing c£200m in this five year period, with a further £450m - £500m planned for the 2025-2030 period
- The investment will improve the reliability of the sites and make the water treatment process more resilient.
- We've undertaken a strategic review with the Drinking Water Inspectorate (DWI). They have both examined and challenged our plans, and have now agreed that the steps that we are taking are the right ones.

## What are you doing to support customers to reduce their use of water?

- Reducing demand for water by working with our customers to help them become more water efficient will help us in the long run, making our water supplies more resilient and avoiding the need to develop new sources of water.
- Our customers are already amongst the most water efficient in the country, using an average of 133 litres per person per day (145 industry average)
- Customer reductions alone would not meet the future demand shortfall that we forecast as they are unlikely to happen quickly enough.
- We have an ambitious Target 100 programme which aims to help continuously reduce consumption, ultimately getting to 100 litres per person per day by 2045. The T100 programme provides education and awareness to customers about how they can save water
- In 2022 we were the first water company to introduce "You save, we pay" – an incentive scheme for our business customers to support the reduction of their usage. This scheme is not currently active, but we are able to roll it out if needed.
- We have a programme to introduce smart meters in 2025-2030 as this will additionally help customers to understand their individual consumption and reduce their use

## LIVE - Why does my water taste so bad, I have to use a water filter which pushes the cost up further. There are sometimes black bits around my toilet when it's flushed. Why?

- The UK's drinking water quality has been ranked the third best in the world.
- At Southern Water, 99.97% of our water samples meet the very high standards set by the Drinking Water Inspectorate
- Occasionally there are issues at an individual property, this is commonly caused by the replacement of a water meter or a supply pipe, or localised plumbing activity
- We would urge any customer who has an issue with their water, to get in touch with our customer services team on 0330 303 0368

Agreed to follow up directly with the customer to explore the specifics of their situation further

## LIVE - How do you plan to meet the water supply shortage if you don't use water recycling?

- In addition to reducing leakage, supporting customers to reduce their consumption, and looking at additional underground storage, no single solution will meet future demand. We have to look at other sources of supply.
- Other supplies could include transfers from other water companies or other parts of the country, water recycling or desalination.
- Water recycling will be an important part of our future water resources strategy to ensure supply for the long term

## Why is Southern Water changing its plans so that it assumes we'll have a hosepipe ban every one in 10 years as opposed to the current one in five?

- Our current level of service for hosepipe bans (also known as temporary use bans or TUBs) is once in every 10 years. Our customers have told us they are happy with this level.
- In our western (Hampshire) and central areas (west Sussex) because of the changes in our abstraction licenses, we have amended this to one in five between now and 2030 and 2027 respectively
- We are keen not to restrict our customers' use of water, so we are always keen to avoid TUBs if we can. Managing supply, fixing leaks and helping customers to understand how to reduce their daily use of water are better, longer-term solutions.

## LIVE - The scheme for water recycling, using Havant Thicket reservoir and pumping water to Otterbourne is proposed as offering best value. How much will it cost, and what's the environmental impact?

- Regardless of the source, water is heavy, and all water is pumped around our network and to our customers' properties. This represents one of Southern Water's most significant costs.
- We have a water supply gap between now and 2040 so we must take action to ensure supply for the future.
- In addition to reducing leakage and supporting customers to reduce their consumption, and looking at additional underground storage, no single solution will meet the demand and we have to look at other sources of supply.
- Other supplies could include transfers from other water companies or other parts of the country, water recycling or desalination.
- Water recycling is energy intensive. However water recycling produces roughly twice as much water as desalination for one-tenth of the energy -
- Details of how the options have been considered can be found in our WRMP19
  - The Options Appraisal Process carried out for RAPID Gate 2 is here: [https://www.southernwater.co.uk/media/5426/gate-2-annex-5-options-appraisal-process\\_redacted.pdf](https://www.southernwater.co.uk/media/5426/gate-2-annex-5-options-appraisal-process_redacted.pdf)
  - The 2022 public consultation brochure is here: [hampshire-wtwp-2022-consultation-brochure.pdf \(southernwater.co.uk\)](#)
- Our research has not only been extensive, but it has also been scrutinised by regulators. Water recycling is considered to be the preferred option.

- The full cost of building the recycling scheme at Havant Thicket reservoir isn't known at this stage, but the current estimate is in the region of £550m to £900m, the range being driven by the early stage of some parts of the design
- Our Water Resources Management Plan is also linked to the planned Abingdon Reservoir (a scheme being delivered by Thames Water) which has a clear system of pipelines and rivers to ultimately connect the two.

### LIVE - Will the environmental benefits of the proposed Havant Thicket scheme be compromised because of the addition of water recycling at Budds Farm / pumping to Otterbourne?

- Southern Water regularly engage with Havant Borough Council. The next meeting is in June where we will continue to listen, explore and talk through concerns about the proposed Havant Thicket reservoir and the proposed recycling scheme
- There's no reason to believe that water recycling will damage compromise any of the benefits of the Havant Thicket reservoir
- The increased carbon footprint of water recycling will be offset as far as possible through the use of our own renewable energy sources such as methane.
- The Bedhampton Springs will not be impacted. They will continue to fill the reservoir whenever they are available.
- There will also be a flow going from the recycling plant to the reservoir to keep our equipment operational
- Flows into the reservoir will be managed in conjunction with Portsmouth Water

### LIVE - Will Portsmouth Water customers have to contribute to the Havant Thicket reservoir because all water is to be used by Southern Water. Could this change?

*NB Customers in the Portsmouth area receive water from Portsmouth Water, their waste is treated by Southern Water*

- The full cost of the reservoir built at Havant Thicket will be borne by Southern Water customers. As per our agreement, this is because the water is for the benefit of Southern Water customers
- In the future, there is an opportunity – should they need it – for Portsmouth Water to take water from the reservoir. The reservoir will have been paid for by that point.
- Longer term, if Portsmouth Water chooses to take water from the reservoir, contributions would be fairly set between Southern Water and Portsmouth Water customers to reflect this.

### LIVE - How can we trust Southern Water not to use Havant Thicket as an 'environmental buffer' given the failings of the past T?here is significant investment planned at our four major water supply works to safeguard against the operational failures seen at Otterbourne and Hardham

- We're investing c£200m in this five year period, with a further £450m - £500m planned for the 2025-2030 period
- That will improve the reliability of the sites and make the water treatment process more resilient.

- We've undertaken a strategic review with the Drinking Water Inspectorate (DWI). They have both examined and challenged our plans, and have now agreed that the steps that we are taking are the right ones.
- The recycled water plants will be regulated by the Environment Agency and thus meet their very high and exacting standards. Any water abstracted from the reservoir will be regulated by the DWI.
- We're working closely with our regulators to pilot the water recycling technology. Detailed water quality and environmental impact assessments are underway to ensure that we're putting the right checks in place.
- The treated wastewater will go through several stages of screening, reverse osmosis and ultra-violet treatment at the recycling plant before it is remineralised and released into a river, lake or reservoir. From there the water will travel to a water treatment facility where it will be made ready and safe for consumption.

### LIVE - When will you provide water butts to all of your customers?

- We have proved that water butts are phenomenally successful, and thousands have been provided to customers in pilot areas
- During the 2025 – 2030 period we anticipate about 100,000 being provided as a key part of our Storm Overflow Reduction Plan
- Our intention is to focus on environmentally sensitive areas first such as those with shellfish and bathing waters.

### LIVE - There's been a lot of misinformation about water recycling and the plans at Havant Thicket. It needs to be made public that some of this misinformation is not serving the best interests of the customers in Hampshire and the water recycling is an effective solution. What are you doing to mitigate this?

- We have seen broad support for water recycling in our engagement to-date and this has been backed-up by customer insight across our region and nationally.
- We know however that not everyone is comfortable with the concept of water recycling and some of this is driven by the misinformation that has been circulated
- At a local level, we regularly engage with the local community and are always happy to answer their questions and address their concerns
- We have had a small pilot demonstration plant running at our Budds Farm Treatment Works and this has proved very effective in building understanding. We hope to do more of this type of engagement in the future.
- More widely, Southern Water is currently leading an industry-wide group to develop core content and materials that can be used consistently across the country as water recycling becomes more widely used

An offer was made for Southern Water to contact specialists at Cranfield University to discuss how to manage concerns about water recycling.

## LIVE - How comfortable does Southern Water feel in being able to meet future demand and growth?

- The Water Resources Management Plan (WRMP) has modelled a wide range of different scenarios
  - Step 1 is to reduce demand – less leakage, reduced consumption and the introduction of smart metering to help customers to better understand their water use
  - Step 2 introduces Havant Thicket reservoir
  - Step 3 introduces water transfer from the Abingdon reservoir that connects the entire South-East alongside the development of water recycling plants
- The success of each stage will influence size, scale and pace of subsequent phases

## LIVE - How confident are you that you can meet the water demands relating to central Government's housebuilding targets?

- All of the Government projections, including those of local councils and housing authorities are used to inform our modelling with the Water Resources Management Plan
- Our approach is sufficiently agile that we believe we can keep up with changes

## Not everyone is in agreement with the proposals for Havant Thicket and the associated water recycling plant and Budds Farm. What alternatives were considered, and why is it still going ahead?

- It will take a range of solutions to meet the water demands of the future, and specifically meet the challenges faced here in the South-East, including the challenges faced in protecting the Hampshire chalk streams
- In addition to reducing leakage and supporting customers to reduce their consumption, and looking at additional underground storage, no single solution will meet the demand and we have to look at other sources of supply.
- Other supplies could include transfers from other water companies or other areas of the country, water recycling or desalination.
- Water recycling is energy intensive. However, water recycling produces roughly twice as much water as desalination for one-tenth of the energy.
- Details of how the options have been considered can be found in our WRMP19
  - The Options Appraisal Process carried out for RAPID Gate 2 is here: [https://www.southernwater.co.uk/media/5426/gate-2-annex-5-options-appraisal-process\\_redacted.pdf](https://www.southernwater.co.uk/media/5426/gate-2-annex-5-options-appraisal-process_redacted.pdf)
  - The 2022 public consultation brochure is here: [hampshire-wtwp-2022-consultation-brochure.pdf \(southernwater.co.uk\)](https://www.southernwater.co.uk/media/5426/hampshire-wtwp-2022-consultation-brochure.pdf)
- Our research and modelling has been extensive, we have undertaken wide-ranging consultation, and our approach has been scrutinised by regulators. Water recycling is considered to be the preferred option for this location.



### Will the existing waste treatment works at Budds Farm be extended to accommodate the water recycling plant?

- Under the Hampshire Water Transfer and Water Recycling proposals, treated wastewater would be pumped from Budds Farm Wastewater Treatment Works to a new water recycling plant.
- Our preferred location for the water recycling plant is an industrial site to the north of Harts Farm Way in Havant, which was carefully assessed and selected given its suitability and proximity to the source of water to be recycled.
- The exact size of the building required to house the water recycling plant has yet to be finalised. The water recycling plant would be carefully designed and screened to minimise its visual and environmental impact during construction and operation and be sympathetic to the location
- More details can be found in the 2022 public consultation brochure: [hampshire-wtwrp-2022-consultation-brochure.pdf \(southernwater.co.uk\)](https://www.southernwater.co.uk/consultation-brochure.pdf)

### Will water recycling be used throughout the year?

- The Hampshire Water Transfer and Water Recycling Project is being developed for use primarily during periods of drought. It is expected to be used as a top up to the spring water in the Havant Thicket reservoir.
- The plant will however run at low capacity throughout the year to maintain its ability to operate and meet the high standards of water quality expected by our regulators.

### Water recycling is complex and costs will inevitably increase. How do you (and Ofwat) assess best value for customers?

- No infrastructure solution can escape inflationary forces beyond its control
- We are engaging industry experts from across the world who have experience of water recycling technologies to ensure we are employing best practice and achieving best value for customers
- Best practice will help to mitigate the risk of uncontrolled / unforeseen cost increases
- We cannot comment for Ofwat.



## 2. Theme 2 – Healthy Rivers and Seas

### What are your top three priorities to improve the water quality of our rivers and seas?

- Ensure we continue to deliver the high level of compliance required at our waste treatment plants
- Improve the resilience of our sewer network to minimise impact of the environment and customer flooding
- Significantly reduce the use of storm overflows to improve the quality of our rivers and seas

### What are you doing to stop the use of storm overflows?

- Storm overflows are part of the network's design and are regulated by the Environment Agency. Due to the complexity of the infrastructure involved and increased unpredictability of the weather, if we were to simply block up all storm overflows, when the system becomes overwhelmed it would lead to flooding in people's homes and communities as water will be forced back up the sewer system.
- We're already working to reduce the number of storm overflows, investing significant money to build bigger infrastructure and redesign the legacy Victorian sewer system, as well as using innovative technology and natural / nature based solutions. Further to this, during the summer we will be announcing more detail on our plans, which will further reduce storm overflows in three ways:
  1. Source control (removing and slowing the flow of rainwater) – for example using rainwater harvesting, permeable paving, green roofs, soakaways (including tree pits), rain gardens (swales) and planters.
  2. Optimisation of existing infrastructure – adjusting connected systems and interfaces, using different mechanical and electrical equipment (e.g. pumps), making improvements in pumping station and storm tank use and control, and using smart network control with increased digitalisation.
  3. Building bigger infrastructure (building larger pipes, pumping stations, etc.) – this includes wetland treatment (for groundwater), sewer lining/sealing (groundwater), as well as building larger sewers, storm tanks and treatment works.
- The actions we are taking will build on progress made since privatisation, where more than £10 billion has been spent to increase the volume of wastewater that is fully treated before release back into the environment from 50% to 95%. This has helped improve the quality of our bathing waters from only 28% meeting public health standards pre-privatisation, to 94% now rated as 'good' or 'excellent'.

### When will storm overflows be 'fixed'?

- Unfortunately, this huge challenge will take time, but we want to go as quickly as we can. We will now be consulting with a wide range of our customers and stakeholders for their feedback on our plans, to ensure we get the balance right between significant investment to make improvements quickly and keeping bills affordable.
- We're working to deliver the Government's storm overflows discharge plan, which sets clear targets to reduce overflows, and we are already leading the way with some of the targets outlined. For example, hitting the average number of spills per outfall per year, that

other water companies are aiming to achieve by 2025. We're therefore confident that we'll not only meet Government targets, but that we'll likely exceed them.

- This plan will set us on course to improve all overflows discharging into or near every single designated bathing water; and improve 75% of overflows discharging to high priority sites by 2035. By 2050, none of our storm overflows will be permitted to operate outside of unusually heavy rainfall or cause any adverse ecological harm.

### What have your Pathfinder Projects / Clean Rivers and Seas Taskforce achieved in reducing the use of storm overflows?

- Reducing the use of storm overflows requires a wide range of actions to be taken. Source control, optimising existing infrastructure and building bigger infrastructure are all part of the solution
- Our Clean Rivers and Seas Taskforce, and specifically the Pathfinder Projects have been ground-breaking in terms of how we identify and prove the effectiveness of nature-based solutions to slow the flow of surface water and effectively tackle the problem at source.
- For example:
  - On the Isle of Wight in Havenstreet, we trialled the use of slow draining water butts, offering them to 184 households with 71% of customers taking up the device – this resulted in a reduction of 70% in the number of overflows at the local pumping station CSO. Due to this success, we're now offering slow-drain water butts to 1,000 more households in Gurnard.
  - We have several other schemes on the Isle of Wight including tree planting in Newport town centre, tackling surface water misconnections, and working closely with the Isle of Wight Council and Island Roads to increase green spaces/nature-based solutions.
  - In Swalecliffe, Kent, we are investing in our wastewater treatment site – working closely with the Environment Agency to amend the site's permit to use storm tank capacity and reduce overflows in the Whitstable area. The work has been completed and we are waiting for final sign-off from the EA. We're hopeful it will reduce spills from site by up to 30%
  - In Deal, Kent, we have formed a taskforce with Deal's MP, Kent County Council, Dover & District Council, and public representatives to identify and trial different approaches to reduce the risk of flooding.
  - In Pan Parishes, Hampshire, we are finding solutions with new engineering analysis, techniques, and technologies to reduce the need for cumbersome tankers and pumping.
- Further information, including a number of progress reports from our Clean Rivers and Seas Taskforce is available on our [website](#)

### Given your historic performance, why should we trust you?

- We have a new CEO and team committed to tackling pollution. We have clear turnaround plans to achieve this - [Our plans \(southernwater.co.uk\)](#).
- On pollution, Southern Water has delivered a step change in performance in 2022: a 37% reduction in pollution incidents, and a 75% reduction in category 1 and 2 pollution incidents whilst maintaining industry-leading self-reporting.

- We have invested a record £610m in 2021 and £600m in 2022 to increase network and treatment capacity and improve resilience of the system to better cope with adverse weather;
  - installed 21,000 sewer sensors in the first full-scale roll-out of sewer digitisation to prevent pollution network blockages
  - introduced predictive analytics in control room to prevent equipment failures across network of 40,000km pipes, 367 treatment works and 3,476 pumping stations.

### LIVE - What are the KPIs in cost and time to reduce storm overflows, and if you fail, is the cost not just paid by customers?

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- The cost to remove the use of storm overflows in our region alone is currently estimated at £2.8bn which is significant. It effectively requires us to redesign the sewage and drainage system across the entire region
- For this reason our plans are scaled between now and 2050 so that it's both physically achievable and affordable
- In the summer we will publish an interactive map which shows how, where and when the £2.8bn will be spent to address the issue
- You will see when the map is published that our early priorities are to focus on areas where there are shellfish and particularly environmentally sensitive areas and habitats
- Southern Water is looking at innovative ways to fund the work required to reduce storm overflows to reduce the burden on customers.

### LIVE - How can you demonstrate that you are not self-regulating and making up your own rules? Your electronic duration monitoring (EDM) goes through you before Surfers Against Sewage has access to publish it

- We do self-monitor our storm overflows, this is then externally assured by a third party, then the Environment Agency audit this work
- This is the standard process for the Environment Agency
- We take action on the Environment Agency's findings / recommendations alongside the plans that we already have in place
- We're moving into a more digital environment and this includes real time sensors. We have pilots running for real-time water quality monitoring buoys, and in due course when the technology is assured, we intend to make this information publicly available.
- There's also a wider question about who should really be doing water quality monitoring – in addition to the actions of Southern Water, agriculture, run-off from roads, as well as the users of our coastal waters and beaches all have an impact.
- We are also supporting citizen science in the region to supplement water quality testing

### When will you achieve 100% coverage of EDM on your network? Do 'wet well monitors' fulfill the requirement for an EDM to be in place?

- Transparency is key to reducing the use of storm overflows and constantly improving water quality
- Our electronic duration monitors, or EDMs, now cover 98.5% of our outfalls and will hit 100% by this time next year. We will continue to report our progress in a transparent and open way.

- We show all coastal releases on Beachbuoy, our near real-time 24/7 storm overflow activity tool. We are also developing the capability to include inland waters on the system alongside the technology to provide real-time water quality information too.
- A 'wet well' is not an EDM monitor, it is something that we use to switch pumps on and off at a pumping station.

### Are you solely responsible for the quality of bathing water?

- There's never been more visibility of the quality of our coastal bathing waters. There are however several factors that all impact water quality. These include contaminated rainwater running off roads and agricultural land, wastewater from privately owned treatment works, boats and animals on the beach such as dogs and seabirds, and the overall steep rise in bathing water users all play a part.
- That's why it is so important for all parties to work together, and we are working hard to extend our efforts and partnerships with other agencies to make an even bigger positive impact.
- During the 2022 bathing water season, we saw half the storm overflows of a year earlier, in part due to dry weather. What's more, our analysis shows that the bathing waters rated 'Poor' also saw fewer releases. This underscores just how many variables there are, and why it is so important that we continue to work closely with local councils and other partners to understand and tackle all causes.

Blue Flag beach status is an independent verification which is assessed against a series of environmental, educational, safety and accessibility criteria - [Blue Flag](#)

### How does Southern Water plan to meet the expected Levelling Up requirements to upgrade wastewater treatment works in 'nutrient neutrality' catchments?

- Nutrient neutrality catchments have been defined by Defra and Natural England
- We have identified how our wastewater treatment works impact these catchment areas and what it would take to improve and upgrade them
- Plans are already in progress at seven sites. The remaining 35 have proposals outlined in our PR24 Business Plan and WINEP to make the improvements required

### LIVE - Why is Southern Water not putting up beach signage when there has been a release from a storm overflow?

- Beachbuoy is our 24/7 365 alert system which is available on our website
- Beach signage, and the decisions as to when and where signage is put up, rests with the local authorities.
- The way forward is likely to be digital signage rather than poster style announcements which need putting up and taking down
- We have a number of ongoing conversations with local councils and authorities, but currently there is no agreed proposal.

LIVE - On the Isle of Wight your Drainage Water Management Plan (DWMP) investment showed you needed £637m by 2050 for the Island. The Clean Rivers and Seas Pathfinder has £12m, when can we expect to see the rest?

- The Pathfinder projects have been an incredible demonstration of how green and nature based solutions slow the flow and return water more naturally to the environment rather than it being lost into a sewer system that was never designed to handle the volumes of rain and surface water run-off
- The Drainage Water Management Plan is a £7.7bn plan over the very long term. However it doesn't just deal with overflows, it also looks to tackle flooding and all the other aspects that can go wrong when a sewage system is not operating effectively
- The investment gap is because the storm overflow element is a subset of the bigger plan

A commitment was made to take the individual through the detail for the Isle of Wight.

LIVE - Nitrate pollution from water, mainly caused by agriculture, is a problem. What is being done to address the issue?

- There are several teams who work with farmers, landowners and the agricultural sector. They form part of our 18 strong catchment delivery team of environmental and technical specialists
- It's an important for us to work in partnership and to help farmers to identify and use fertilisers that don't negatively impact water quality and our natural habitats
- We are currently working on a project with the Environment Agency, Natural England and Defra to identify what more can be done

Southern Water's catchment schemes have been a huge success and showcase the commitment to assisting agriculture to improve water quality. Will these continue, particularly in light of Defra's pledge to provide further support?

- While the new Government initiative is welcomed, we recognise that catchment management requires long term commitment and partnership to address long term legacy issues.
- Southern Water will continue to invest in catchment and nature-based solutions to help protect the long term resilience of our coastal areas and improve water quality.
- Risks are predominantly related to water quality issues such as nitrates, pesticides and turbidity in drinking water sources. Our programmes are focussed on reducing these issues at source.
- Examples include:
  - In Chichester Harbour we're rolling out a catchment management scheme, investing in sustainable farming measures to reduce levels of nitrogen fertiliser reaching the harbour, whilst also investing in wetland and habitat enhancement.
  - In the 'Three Harbours' area (Chichester, Langstone and Pagham) we are supporting a 3-year PhD with the University of Brighton to better understand the sources of nutrients (which cause eutrophication) so that – working with partners - we can collectively target and prioritise our actions.

## How does Southern Water plan to meet Environment Agency targets on phosphate discharges from wastewater treatment works?

- Phosphorus reduction plans are informed via WINEP (Water Industry National Environment Programme) and funded via the price control mechanism.
- Once sites have been identified a revised permit is issued with a date that tells us when we must meet the lower phosphorus discharge limit.
- Typically, we achieve these lower consents by dosing ferric to settle phosphorus out in the sludge.

## LIVE - Exceptional weather events are increasing. While for many new housing developments waste water and rainwater run-off is separated at source, for many older properties this isn't the case and your drainage system seems unable to cope. When will these services be properly separated so that they can cope?

- Population growth and climate change are just two elements that are placing increased burden on our combined sewer network and wastewater treatment infrastructure.
- We have no statutory rights to prevent new connections on our network. We can only make recommendations to local authority planning teams.
- In principle, the cost to remove the use of storm overflows – which includes the action to separate waste water and rainwater at source - is £2.8bn which is significant. It effectively requires us to redesign the sewage and drainage system across the entire region
- For this reason our plans are scaled between now and 2050 so that it's both physically achievable and affordable
- In the summer we will publish an interactive map which shows how, where and when the £2.8bn will be spent to address the issue
- You will see when the map is published that our early priorities are to focus on areas where there are shellfish and particularly environmentally sensitive areas and habitats
- At a local level, our pilot on the Isle of Wight has demonstrated that the installation of slow drain water butts can make a real difference by capturing the rainwater at source and return it more naturally to the environment
- We're also looking at highways and surface water to understand how we disconnect a large number of misconnections which are currently flowing into the sewage system

## How is Southern Water engaging with Local Planning Authorities on their Local Plans?

- Southern Water actively engages with all Local Planning Authorities (LPAs) on their Local Plans and Neighbourhood Planning activity to provide input on water and wastewater issues relevant to their area.
- We also invite LPAs to participate in the development of our Drainage and Wastewater Management Plans (DWMPs) and Water Resource Management Plans (WRMPS) to help them to understand our activity.
- The inclusion of Southern Water's input into the Local Plans is at the discretion of the LPAs
- We are continuously improving our engagement methods to ensure that there is an ongoing discussion and awareness of specific and emerging issues relating to the areas in which we operate.



LIVE - Is Southern Water aware of the threat to the chalk aquifer at Singleton that is being caused by the oil rig and the injection of highly toxic saline?

- We are not aware of the specifics of this situation
- We do however have a high level of confidence that between the Environment Agency and the Drinking Water Inspectorate they will be aware of the situation
- Our ground water monitoring equipment would also be picking up if there are any specific contaminants in the water supply
- Where an issue is identified, we agree a plan with our regulators to put in place a permanent fix

A commitment was made to talk to the individual to better understand and potentially investigate the specifics of this situation.

LIVE - Following a meeting with our local Eastbourne MP and Toby Willison, we were promised some water testing kit so we could test water quality outside of bathing water season. At the same meeting we were advised that you were going to investigate some misconnections that had potentially contributed to the decrease in bathing water quality. Can you please provide an update.

- We have an extensive programme of misconnections work. We are approaching this in a prioritised way and Glanville Road is one of our priority areas.

A commitment was made to follow up with specific survey details and plans for Glanville Road in Eastbourne.

A commitment was also made to follow up and ensure that the swimming group were provided with testing equipment.

LIVE - When can we see the Adler and Allen report for Bexhill on misconnections?

A commitment was made to share the Adler and Allen report as it informs our work on misconnections.

LIVE - The current funding mechanism encourages water companies to put in place infrastructure heavy programmes rather than nature based / greener plans. What are you (and Ofwat) doing to address this?

- A number of years ago, there was a significant change which has encouraged water companies to move from pure capital investment to a position where capital investment and operating costs are looked at in total. This means that we are incentivised to find the lowest 'whole life cost'
- This means that we are much better placed to put forward the right solutions for the long term, and these are often greener and more environmentally friendly.



## How do you monitor water quality and how is this shared with customers?

- Investment since privatisation has already helped improve the quality of our bathing waters from only 28% meeting public health standards pre privatisation, to 94% now rated as 'good' or 'excellent'.
- We are a key custodian of water quality and play our part in improving the standard of bathing waters, through major investments in treatment works along our 700 miles of coast. We've invested £18 million at Budds Farm, £22 million at Swalecliffe and £12 million of work has been completed in Margate for example.
- There's never been more visibility of the quality of our coastal bathing waters. There are however several factors that impact water quality. These include contaminated rainwater running off roads and agricultural land, wastewater from privately owned treatment works, boats and animals on the beach such as dogs and seabirds, and the overall steep rise in bathing water users all play a part.
- That's why it is so important for all parties to work together, and we are working hard to extend our efforts and partnerships with other agencies to make an even bigger positive impact.
- For our part, we show all coastal releases on Beachbuoy, our near real-time 24/7 storm overflow activity tool – see our [website](#)
- We have pilots running for real-time water quality monitoring buoys, and in due course when the technology is assured, we intend to make it publicly available.
- We also work with a number of local authorities to provide mobile water quality testing kits to support community groups.

## Your Drainage Water Management Plan (DWMP) shows sustainable urban drainage (SuDS) as a solution a wide variety of situations. How can this be scaled?

- We recognise this is an ambitious, but necessary programme
- We are already working in local areas to identify key partners – such as the Highways Authorities – to identify local supply chains
- Many SuDS solutions are also quite straightforward such as the installation of water butts and planters

## Who is responsible for ensuring the upkeep of road drainage so that they don't become choked with debris and cause flooding?

- The Highways Authority is responsible for highways and roadside drainage
- Surface water management is complex which is why we are working in partnership with a range of partners, including local councils and highways authorities
- Roads and roofs are the two largest contributors of surface water entering our sewers

## What plans do you have to improve wastewater treatment in Gosport?

- Peel Common Wastewater Treatment catchment is large with multiple storm overflows
- We'll be investing approximately £55m between 2025-2030 in this area
- Full details of our Clean Rivers and Seas Plan including costs and timelines will be announced in the coming weeks

I live on an estate in Tangmere with limited capacity for soak-away. How can we capture more rainwater?

- Our Clean Rivers and Seas Taskforce is looking at ways to support customers to capture rainwater and prevent it entering our sewers, particularly during heavy downpours
- We're prioritising areas where roof downpipes are connected directly into the sewer system
- There are plenty of ways that customers can help – see our website [How can I get involved? \(southernwater.co.uk\)](https://www.southernwater.co.uk/how-can-i-get-involved/)

What plans do you have to extend the long sea outfall at Eastney and its impact on Chichester and Langstone Harbours

- Full details of our Clean Rivers and Seas Plan including costs and timelines will be announced in the coming weeks

Bosham had 790 hours of untreated sewage discharges in 2022, 60% up on 2021. Is your £9.4 million pound upgrade for Bosham treatment works included in the capex plans for the period 2025-2030 or deferred?

- Our current proposal for Bosham forms part of our plans for the three harbours. These will be considered as part of our PR24 investment criteria.
- The current plan isn't deferred and involves building a wetland as part of our drive to reduce storm overflows. This requires approval by our regulator.

Can you learn from other countries that are more successful in wastewater management and renewable energy production for pumping stations?

- We look for examples of best practice across our own industry in the UK as well as abroad
- We are already using telemetry and data, such as weather information, to manage our catchments in smarter ways so that we can more proactively respond to changing conditions
- We are also recovering more energy from sludge and using advanced incineration technology as pyrolysis
- We are also installing solar technology across many of our water and wastewater sites.

When will you increase the treatment capacity of all of your Sewage Treatment Works to 3 times dry day flow, as required by law?

- Our wastewater treatment works already comply with the permits issued by law and are subject to regular inspection and online monitoring

Can you please share details of any upcoming major projects at treatment sites, or planned mains works in the South East region.

- Our PR24 documentation, which will be subject to agreement with our regulators, will set out detailed plans for 2025-2030 to tackle storm overflows, reduce the levels of phosphorus in our discharges and increase the amount of renewable energy obtained from our sludge. There will also be details about investment in key waste water treatment sites to improve resilience and accommodate the forecasted growth.

### 3. Theme 3 – Affordable bills and customer services

#### LIVE - Why did Southern Water's rates increase by 10% this year?

- Water bills are agreed with Ofwat and are based on a five year cycle of the investments we need to make and the costs of running the business. The recent increase reflected inflationary costs in energy and chemicals.
- We are aware that the UK's cost of living crisis is a worry for many of our customers, and this is why plans to increase rates are never taken lightly. The decision was made in light of growing economic pressures.
- Customer bills have been under inflation for the last decade, and currently the average water bill is one of the lowest household bills, above only the average phone bill.
- We are channelling more money than ever before into supporting vulnerable customers and those who may struggle to pay their bills. This will boost the support package we already have at our disposal, including payment holidays, special tariffs, debt write-offs, bill reductions and grants for household items.

#### LIVE - Every five years you go through a price review. You are forecasting a monthly increase of about £60 a month over the next five year period (2025-2030).

##### Are your plans ambitious enough?

- The overall investment for the period 2020-2025 will see us investing just over £4bn, over half of which is investment in new infrastructure
- For 2025-2030 we are forecasting an investment of nearly £8bn
- We cannot be complacent about affordability and must take into account the wide range of views about cost relative to pace
- While we'd always like to do more, it's against this context that we believe our plans are appropriately ambitious and a step-up in terms of delivery

#### LIVE - What is the point of water metering when the standing charge is such a large part of your bill, it does nothing to incentivise reduced usage

- Standing charges reflect the fixed cost elements of operating the business
- As the water sector moves forward, we need to look at how tariffs are calculated so that bills more actively encourage customers to reduce their use
- We have some tariff trials planned at the start of next year and there is more to be done in 2025-2030, particularly as we start to deliver our smart meter roll out

#### How will tariffs change to incentivise slowing the flow of water to reduce the use of storm overflows?

- Alternative tariffs and tariffs with smart meters are unlikely to help reduce the use of storm overflows.
- Storm overflows are part of the network's design and are regulated by the Environment Agency.
- In the summer we will be announcing more detail on our plans, which will further reduce storm overflows in three ways:

1. Source control (removing and slowing the flow of rainwater) – for example using rainwater harvesting, permeable paving, green roofs, soakaways (including tree pits), rain gardens (swales) and planters.
2. Optimisation of existing infrastructure – adjusting connected systems and interfaces, using different mechanical and electrical equipment (e.g. pumps), making improvements in pumping station and storm tank use and control, and using smart network control with increased digitalisation.
3. Building bigger infrastructure (building larger pipes, pumping stations, etc.) – this includes wetland treatment (for groundwater), sewer lining/sealing (groundwater), as well as building larger sewers, storm tanks and treatment works.

### LIVE - Southern Water's complaint levels are very high compared to industry averages. What plans do you have to improve this and reduce complaint levels

- Our complaint volumes can be broken down into two areas;
  - Operational challenges such as loss of supply
  - Billing issues which have significant legacy issues often linked to the way metering was rolled out a number of years ago
- We are working through the backlog and trying to proactively identify issues
- We have a plan to put in place 'first time fix' so we solve a problem when a customer first contacts us rather than a customer being passed from team to team and having to make contact with us on multiple occasions

### What support do you provide for vulnerable and disabled customers?

- We have over 166,000 customers signed up to our Priority Services Register (PSR) which represents 8.3% of households – exceeding the Ofwat target of 7%.
- Customers on the PSR receive bottled water directly to the home if there is a water supply issue. There are forms on our website, and customers can call us directly to sign up.
- Southern Water currently provides over 126,000 customers with some form of financial assistance, an increase of 21,000 since the start of the pandemic. Last year we provided over £12.5 million worth of support.
- We offer a range of support to customers who may struggle to pay their bills. These include payment holidays, special tariffs, debt write-offs, bill reductions and grants for household items. We also offer support and extra help for those living with long-term illness, disability, the elderly and even new parents or parents with young children.
- We have increased the minimum level of discount open to households with an income of £21,000 or less from 20% to 45%. Households with very low incomes will continue to receive up to 90% off their bill.
- We encourage anyone that is struggling to pay their bill to get in touch
- We are currently speaking to our customers to understand the amount of support they believe will be needed in the next regulatory period, when bills are set to rise. We will be using that research to increase the number of customers that we can support from 2025 - 2030.

LIVE - The £5 removal of underpayment looks like customers are now paying for this as part of a bills increase. Is this true?

- Not at all. We are in fact applying discounts to customer bills because of our historic and current performance
- Any penalties that are applied by our regulators are paid by our shareholders

What are you doing to engage your future customers / younger generations in your plans. How do you engage with your local community about your longer term plans?

- We have a number of panels from across our region who are involved at every stage of our business planning
- Panels include representation from future customers, household customers, businesses, customers in vulnerable circumstances and those from communities where English might not be their first language.
- We have done bespoke work with all these audiences on our 2025-2030 plans and our long-term water and wastewater plans
- We supplement this work by reaching out to new customers to test our business plan – including future, vulnerable customers, households, businesses and the digitally disengaged.
- We also run community pop-up stands across the region to share our early proposals.

Owing to your failure to treat sewage responsibly and safely, you agreed with Ofwat to freeze customers' bills (although still allowing for inflation) until 2025. Please confirm that this policy hasn't changed.

- Our commitment to Ofwat was to credit customer bills until 2025 with an amount totalling £123m which represented missed Ofwat penalties. We can confirm that this hasn't changed. Our bills have risen only in line with inflation.

Why don't you promote the surface water drainage rebate?

- The surface water drainage rebate is publicly available on our website - [Surface water rebate form \(southernwater.co.uk\)](https://www.southernwater.co.uk/surface-water-drainage-rebate)

## 4. Theme 4 – Investing in the future

**LIVE - How can you justify paying large bonuses and dividends given your performance record?**

- Customers should be reassured, contrary to what they may hear or read, we haven't paid an external dividend to our shareholders since 2017. All funds and profits have been invested back into the business to support business recovery
- Our current majority shareholder, a fund managed by Macquarie Asset Management, is supportive of what needs to be done and there are no plans to change that.
- Our board is sensitive to customer concerns on remuneration and has developed pay and bonus policies that reflect our environmental and customer service performance, as well as the challenges of our turnaround.
- In his first year as CEO, Lawrence Gosden chose not to take a bonus, because we haven't met the expectations of our customers.

**LIVE - Macquarie have previously taken large sums of money out of the business. Are they going to remedy this with large investment?**

- A fund managed by Macquarie Asset Management invested in Southern Water in 2021. They have not benefited from any previously paid dividends
- They invested £1bn in equity when they became our major shareholder which has already enabled us to make investments in our infrastructure and our capital programmes
- Macquarie is supportive of what needs to be done and the investment needed to be able to deliver our future ambitions

**LIVE - Does Southern Water and its owners have the ability to maintain the capital financing required to meet the scale of the demand over the coming years from regulatory and customer demands? Can you attract further investment?**

- We are talking regularly to our regulators and our shareholders to ensure that our balance sheet remains strong and that we can maintain the level of investment required
- In addition to the £1bn already invested into the business, it will require further investment to be made
- We cannot discuss further at the moment, however these conversations are well advanced
- It's worth noting that the private investment model that exists in the UK does mean that we can smooth the impact of customer bills over the long term while increasing investment where needed
- We also shouldn't lose sight that ultimately investors want and need to see a return. There is a direct correlation between our need to improve the operational performance of the business, the investment required, and therefore the return that investors rightly expect to see in the long term

### How do you ensure financial transparency?

- Our financial performance is reported every year in our Annual Report and Financial Accounts
- Our reports are publicly available on our website - [Annual reporting \(southernwater.co.uk\)](https://www.southernwater.co.uk/annual-reporting)
- Within our annual reports we provide both data and context about where our money is being spent. We also include a graphic which details where we spend money received from our customers.

### 15% debt interest for capital investment seems high. Please explain

- The 15% is not the interest rate but the percentage of customer bills that is used to service debt.
- Like all water companies, Southern Water uses debt to fund the investments made in the network, treatment plants and systems. It allows us to 'smooth' bills over a period of time when large investments need to be made.

### How does your public purpose influence your business plan and its proposals

- Over the last five years we have engaged with thousands of bill paying customers, citizens and local communities across the Southern Water region.
- We engage with all groups in our community; households, businesses, young people, vulnerable audiences, those from diverse cultures, stakeholders and other organisations that have a relationship with Southern Water
- Since March 2021, we have increased our engagement in line with our business plan activities.
- The insight and feedback received ensures that our plans reflect both our public purpose and the input of our stakeholders



## 5. Specific / Not theme based

### LIVE - Can you install turbines within your network to generate electricity?

- We're looking at a range of renewable and regenerated energy including solar and wind
- We also use methane capture from our waste treatment plants to reduce our carbon footprint and to reduce energy use

### What are Southern Water's plans for a Flagship Chalk Stream Restoration Project?

- The River Anton is a tributary of the River Test, one of Hampshire's precious chalk streams.
- We are currently working with the Wessex Rivers Trust to develop our plans.
- Part of our plans include identifying and engaging with other partners in the area. Test Valley Borough Council is also involved
- We will develop more detail once other partners are involved.

### Is there any plan to extend the water neutrality area from the Sussex north water resource zone?

- The area affected by Natural England's Position Statement on water neutrality is not expected to expand.
- We are not expecting other areas to be subject to a similar arrangement.
- The opportunity to adopt water neutrality principles is worth considering where possible - Waterwise have published guidance to help with this.

### Can you provide some guidance on how we engage as a supplier with your delivery partners and more specifically their sub-contractors?

- Please email [sw\\_commercial@southernwater.co.uk](mailto:sw_commercial@southernwater.co.uk) and a member of the team can help facilitate the right conversations with our supply chain partners.
- You can also register on the southern water sourcing portal to find out more about any tender events we are running - <https://southernwater.bravosolution.co.uk/web/login.html>

### How are you attracting young people to your organisation?

- We are proud to offer early career programmes for graduates and apprentices
- We work with local schools to promote the sector and careers in STEM, including a work experience programme
- We also partner with Dare to Dream, a programme created to support self-awareness, resilience and employability in young people