

SRN13 Reputation, Trust and Transparency Technical Annex

2nd October 2023
Version 1.0



from
**Southern
Water** 

Contents

Contents

Contents	2
Executive Summary	3
1. Introduction	4
1.1. The landscape in which we operate	4
1.1.1. Understanding the issues	5
1.1.2. The damage to customer trust	5
1.1.3. How Southern Water is viewed (regional perspectives)	7
1.1.4. Media landscape	8
1.1.5. Stakeholders and Community Interest	9
2. How we will Continue to Address the Challenges of Rebuilding Trust	10
2.1. Areas of focus	11
2.2. Activities and tactics	12
2.2.1. Customer engagement via media, social media and customer marketing	12
2.2.2. Supporting and engaging our stakeholder groups	13
2.2.3. Working with our local community	17
2.2.4. Examples of community engagement	18
3. Demonstrating that our Current Approaches Have Impact	19
3.1.1. Healthy rivers and seas – being known for ‘tackling the use of storm overflows’	19
3.1.2. Creating a sustainable water future – being known for ‘planning for the future’	20
3.1.3. Caring for our customers and communities – being known for ‘being there for the most vulnerable’	22
4. Ongoing Measurement and Course Correction	25

List of Tables and Figures

Figure 1: Our regional profiles	7
Figure 2: Media mention volumes	8
Figure 3: Areas customers would like to hear more about	11
Figure 4: Our CSR Strategy Pillars:	18
Figure 5: Satisfaction with Incident Handling (2022-2023):	24

Executive Summary

We're operating in an extremely challenging environment.

- The water sector is becoming an increasingly political topic at national and local level.
- Public interest and scrutiny on the impact that Southern Water has on its natural habitats is rising.
- Climate change is leading to weather extremes which places pressure on our infrastructure and increases asset failure. This leads to questions about current resilience and historic investment.
- Our historic poor performance has damaged the trust our customers and local communities have in us.

We will rebuild trust by demonstrating that we have changed - through our actions and the tangible examples of progress we share.

- We have clear plans centered around four themes - Healthy Rivers and Seas, Creating a sustainable water future, Caring for our customers and our communities, Engaging and empowering our people.
- Our stakeholders want to see ambition. We must work in partnership with them, responding to their scrutiny and demonstrate how and where our performance is improving.
- We will work with our communities at a local level, recognising their individual needs and characteristics and tailoring our engagement accordingly.
- Closer and more informed and targeted media engagement will build understanding and drive balance in their reporting. We'll correct misinformation.
- We'll maintain and develop customer campaigns and targeted messages in ever more engaging ways. We'll demonstrate the work we're doing and the impact it's having.

We can evidence that our approach is working through examples that:

- Show how the pillars are being used to shape our key areas of focus,
- Responding to and learning from insight in everything that we do.

We'll continuously use data and insight to measure our progress and course correct our actions.

- We have a full insight programme across all stakeholder groups.
- We are measuring key metrics such as CMex, alongside more targeted leading indicators such as media sentiment and social media engagement.
- We are listening to our customers and local communities and tailoring our approaches accordingly.
- We'll continue individual campaign testing, monitoring and metrics so that messaging continues to engage and inform.

1. Introduction

1.1. The landscape in which we operate

We operate in a complex and dynamic landscape. Over the past five years, this context has undergone significant changes, which have had a profound impact on the water industry and the way companies like Southern Water operate.

From an environmental perspective, the growing recognition of climate change and its consequences has placed increased pressure on water companies to adapt and mitigate its effects. Rising global temperatures, changing rainfall patterns, and increased frequency of extreme weather events have disrupted traditional water supply and demand dynamics. For instance, prolonged droughts and heatwaves have led to water scarcity in certain regions, necessitating the implementation of water conservation measures and the development of alternative water sources.

Economically, the water industry has faced challenges related to funding and affordability. The need for substantial investments in infrastructure upgrades, such as improving water treatment facilities and reducing leakage, and in the context of higher inflation and the interest rate environment has placed additional financial strain on water companies. At the same time, customers have become more conscious of their water bills and expect value for money.

Societally, there has been a significant shift in public expectations and demands regarding the water industry. The Covid-19 pandemic brought to the fore the value we place in our natural environments. Water quality and the use of storm overflows has become an issue of significant interest to customers and external stakeholders alike. Last summer's drought highlighted the challenges that already exist in the south of England. Economic development and associated population growth continue, and so must our efforts to value and preserve every drop of water as part of the water cycle.

Customers now expect more than just reliable water supply; they want their water company to be environmentally responsible, transparent, and accountable. This is reflected Edelman's 2023 Trust Barometer¹ which concluded consumers today believe businesses hold the mantle of greater expectation and responsibility and expect businesses to do more to address societal and environmental issues more than ever. There is also a growing emphasis on customer engagement and involvement in decision-making processes, as well as a demand for improved customer service and responsiveness.

Politically, the UK government and regulatory bodies have implemented measures to enhance transparency, improve governance, and ensure that water companies prioritise the interests of customers and the environment. This includes the introduction of stricter regulatory frameworks,

¹ [Edelman Trust Barometer 2023](#)

such as the Price Review process, which evaluates and sets the limits on water companies' prices and performance.

Our Ofwat investigation into failings in the management and reporting of compliance at our wastewater treatment works in 2017, and the consequent court cases that made headlines in 2021, have led to a level of mistrust and an erosion of public confidence in the operational resilience of the business, alongside questions about the integrity and transparency with which we operate. We have responded to those challenges by transforming how we work to meet our customers' expectations and begin restoring their trust, in the four phases of our Turnaround Plan. This underpins our commitment to rebuild the reputation and trust in Southern Water.

While ultimately our actions, and our operational performance will be what drives confidence in our business, we can communicate more effectively and use insights from our customers and stakeholders to drive our strategies and plans.

1.1.1. Understanding the issues

In rebuilding trust and credibility, we know that we need to address the following:

- Historic underperformance - our operational performance is improving, but not yet at a sufficient rate to drive significant and immediate reputational uplift – so we will need to evidence swift progress.
- Significant negative sentiment in terms of satisfaction and perception of Southern Water amongst customers and stakeholders around coastal bathing waters - North Kent, the Solent, Hastings, Bexhill. Sentiment inland is more measured.
- Negative media coverage at national level has focused on criticism regarding operational failure (storm overflows, drought, water supplies, bathing water quality, leakage) and the critique around the failure of the private water company model. Criticism is often industry-wide; however, Southern Water's coastal and regional characteristics coupled with a business performance that is improving, but lagging its peers highlights the company as a target for campaigners.

1.1.2. The damage to customer trust

The actions of water companies are becoming increasingly salient issues². In the past Water and the activity of water companies have rarely been front-of-mind issues for customers. As outlined above, the context for water companies including Southern Water, has changed.

The loss of our customers' and communities' trust can have a disproportionate effect on what they think about our services. The loss of trust can also impact our customers' and communities' wellbeing. Negative perceptions about water quality impacts our customers' enjoyment of their coastline. Customers are more likely to be: starting from a negative place when thinking about Southern Water; actively want to hear from Southern Water on a wider range of issues, particularly how they are tackling storm overflows; and be more skeptical or cynical about messages that they receive from Southern Water.

² See technical annex [SRN14: Customer Insight](#), Section1 Index: 196 -Comms Investment Final Combined Report Sep '23

"The amount of water polluted into the seas, because we don't have adequate storage. I don't know how much they have spent on investing in the necessities. They seem to take the cheap option, rather than investing." (Highly engaged customer in water industry)

Southern water social media volumes are disproportionately high³ - Following the MP vote on the Environment Bill in November 2021, Southern Water had 3 times the social media coverage than the next water company. In 2022 Southern Water had the second most social media mentions of all water companies, only slightly behind Thames Water – who have 3 times the number of customers. We also see that from August 2022 to August 2023 our top negative stories receive 10 times the reach compared to positive⁴. Our top 3 negative sentiment mentions, have a reach of c4m while the top 3 positive have a reach of c400k.

Negative sentiment impacts overall perceptions – follow our most intense media scrutiny and looking at the detailed breakdown of the UKCSI metrics for Jul '22, we saw all 34 measures dropped from the previous wave (Jan '22). This indicates that the damaged reputation has shifted overall sentiment and therefore the impact on all scores. E.g.

- 'Product / service range' from 7.5 to 6.9 – despite no material change to the services we offer
- 'Price / Cost' from 6.9 to 6.4 – despite a price decrease of 1.3% in April
- 'Does the right thing for business practices' from 6.9 to 6.3– despite a rating on Glassdoor from 3.1 to 3.2. (Jan-Jun)
- Reputation of the organisation from 6.7 to 6.2

Additionally, analysis of C-Mex data shows that high levels of media activity directly correlate with decreases and improvements from C-Mex⁵. When we reduced our bills 2022/23, 52% felt that bills had risen in the previous 12 months, compared to only 10% thinking they had fallen⁶

Perceptions of water quality are impacting customers – perceptions can become a reality. Only 16% think that sea water quality is better now than it was 30 years ago and 49% think it is worse. 58% think it is worse than 5 years ago.⁷ 86% of customers' feel worse about water quality when they see a negative⁸ story.

³ See technical annex SRN14: Customer Insight, Section1 Index: 125 - competitor analysis 2022-2023

⁴ See technical annex SRN14: Customer Insight, Section1 Index: 191 - Reputation Deep Dive - Summary Presentation Aug '23

⁵ See technical annex SRN14: Customer Insight, Section1 Index: 191 - Reputation Deep Dive - Summary Presentation Aug '23

⁶ See technical annex SRN14: Customer Insight, Section1 Index: 201b -Water Futures Quant Wave 2 -Dec '22

⁷ See technical annex SRN14: Customer Insight, Section1 Index: 201c - Water Futures Quant Wave 3 Mar '23

⁸ See technical annex SRN14: Customer Insight, Section1 Index: 153 - Waterside wellbeing report - Oct '22

1.1.3. How Southern Water is viewed (regional perspectives)

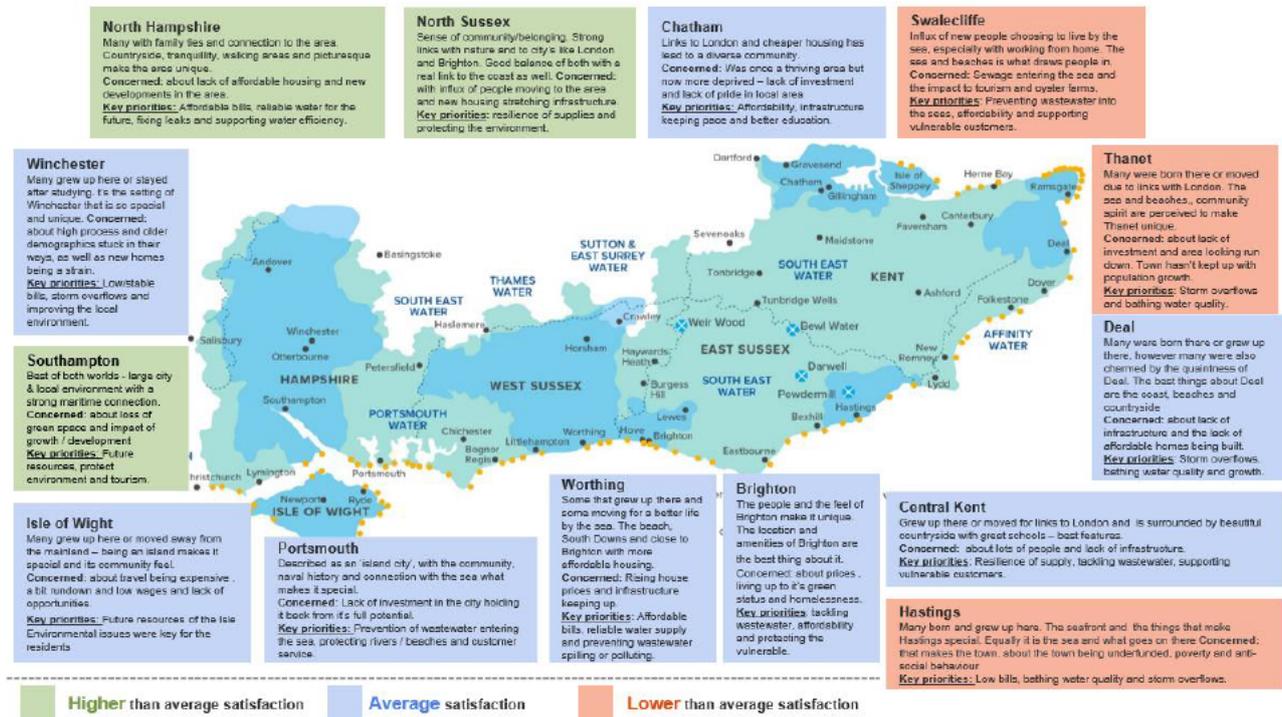
We recognise that Southern Water operates within a unique environment. Our region blends densely populated coastal communities, inland towns and cities, and rural areas all spread across two national parks, five Areas of Outstanding Natural Beauty, 700 miles of coastline and 84 bathing waters. It is home to more than 400 environmentally designated areas – including more than 350 SSSIs (Sites of Special Scientific Interest), two UNESCO world heritage biospheres, 38 Special Areas of conservation and 13 Ramsar sites, as well as numerous other protected areas. Our region is classed as water stressed, and scarcity is becoming more severe as our climate changes and our population grows.

Our region is home to some of the world’s most iconic chalk streams – in fact 85% of the world’s chalk streams are found in the South East; 26 in total. These are rare habitats for a diverse range of species and a crucial source of our drinking water.

This means that local attention naturally gravitates towards these natural environments and the impact – both positive and negative – that we have on them. And given the diversity of the region, our customers and stakeholders are equally diverse in terms of demographics and interests; they see themselves living and working in unique contexts.

Analysis of demographic data shows that around 30% are in the lower social grades, with the Isle of Wight and North Kent having around 34% in the lower income levels compared to more rural areas of North and Central Hampshire and North Sussex having between 22-27%. Our most diverse communities are found in Southampton and North Kent. In Southampton, there’s a large Asian community and in Chatham, Kent, a large Afro/Caribbean community. The Isle of Wight is our least diverse area with 97% white origin. However, we also see an ageing and less affluent population on the island. In North Kent, and within some districts of our larger cities (Southampton, Brighton and Portsmouth), we see communities with greater levels of deprivation. North Hampshire, North Sussex and Central Kent all have larger rural communities. You can see some of the detailed feedback we hear from our unique communities below:

Figure 1: Our regional profiles



Customers tell us there are some fundamental consistent services they expect. Continuous clean, safe and wholesome water remains top priority. They want to ensure these services are fit for future generations whilst protecting the environment around us. They expect us to collaborate, show leadership and use innovation and technology well. Customers want good reliable service and the support they need when things go wrong. Leakage remains a high area for improvement, and a visible sign to customers of ‘industry wastage’.

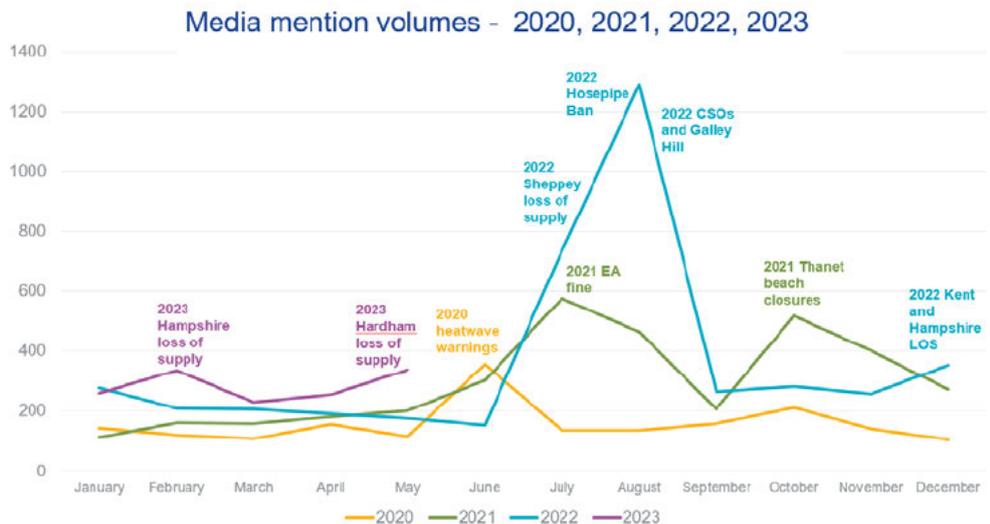
In the last 5 years there has been a lot of change. Customers want us to improve and restore the environment, which has never been more important. The pandemic has helped customer connect to their local environments, adopt new technology quickly and appreciate the need for proactive long-term planning. Our performance and EA Fine from 2021 has accelerated scrutiny, especially on the use of storm overflows which is a top area they want to see improved. Trust has been severely damaged, and they demand to see improvements quickly. The cost-of-living crisis has heightened the need to keep bills affordable and protect those that need it most.

Each customer is unique. Our customers are connected to the sea for the environment, wellbeing and tourism. Most of our population centres are coastal and our customers tell us that they live there because of the access to the sea. Our past environmental performance and high levels of attention is damaging our customers’ ability to enjoy their coast. Many of our communities also feel their way of life is threatened by the impact of housing growth and that wider infrastructure, including water and wastewater services, has not kept up. For more information on what our customers are telling us, the Customer Engagement Chapter of our plan.

1.1.4. Media landscape

In the last five years since PR19 the media landscape has evolved. The rise of digital media, the decline of print, the increasing influence of social media, the diversification of news outlets, and the challenges faced by traditional journalism have been the key trends shaping this evolution. As a result, it is crucial for us to adapt our communication strategies to effectively engage with audiences across various digital platforms and leverage emerging opportunities.

Figure 2: Media mention volumes



Data confirms we are seeing increased volumes of media mentions with the underlying volume of media attention rising. For Southern Water, the court case of 2021 and our historic operational performance means we are commonly a target, particularly where data-based league tables are used to evidence a media position.

As the peak of 2022 clearly demonstrates, loss of supply (Sheppey), being the first to announce a Temporary Use Ban, followed by an operational failure at one of our wastewater treatment works created the 'perfect storm' of media headlines. Additionally, industry wide commentary on CEO salaries and dividends exacerbated this situation over the same period. These trending media topics align to our own customer feedback, with each creating reputational spikes in interest.

Many of our regional journalists live locally to our coastline and recognise the traction headlines and stories deliver. This alongside the volume of statements and stories by local councils and campaign groups who have built strong relationships with local media, headline volumes are growing that align with the objectives of many of our more critical stakeholder groups. That means we must work hard to redress some of this imbalance.

1.1.5. Stakeholders and Community Interest

Customers and stakeholders have told us they want us to understand their community.

In rebuilding trust and confidence with our customers, we are focusing on how we respond to the needs of our local stakeholders and community groups. Stakeholders want to see us being more ambitious, particularly in our environmental plans, where there is strong support for nature-based solutions to improve the health of our rivers and seas. Increasing our focus on catchment-based solutions, including better collaboration across utilities, third parties, and environmental groups, will enable us to tap into the wealth of expertise that exists in this area.

Deepening and strengthening our relationships with our stakeholders, is critical part of our plans, by working together in partnership we will create and deliver improved solutions to the wide range of issues we face.

For our community groups, engagement at local level really matters. Our regional insight shows us different communities and the varying demographics make a difference to their needs and interests and they want us to recognise this in the way we engage. For example, our coastal communities have a strong and deeply held attachment to the environmental, recreational and tourism impacts of the sea, particularly bathing waters.

The pandemic and the cost-of-living crisis has increased the importance of supporting vulnerable customers. Being available to help, with tailored services, tariffs and wider support is fundamental for customers who have both short and long-term vulnerabilities. The pandemic made us all more socially responsible with a greater appreciation to support customers. We are all more focused on wellbeing and our local environment / natural space. 85% told us during the pandemic they will change the way they consume information⁹.

⁹ See technical annex [SRN14: Customer Insight](#), Section1 Index: 134 - Life Under Lockdown - Insight Summary - Aug '20

Understanding these differences and being able to adapt to different community needs is helping us rebuild relationships locally. We have held a number of localised stakeholder and community drop-in sessions this year, with the programming continuing throughout the remainder of the year and beyond.

As an example, we held an event for the stakeholders, including Local Authority representatives, and our customers affected by the water outage at Broadstairs in Kent. Our team explained the issues that led to the loss of supply and heard how we were improving the resilience of the site to ensure supplies were protected, and explained how customers would be compensated. We also had members of the Clean Rivers and Seas Taskforce on hand to share plans on reducing storm overflows.

2. How we will Continue to Address the Challenges of Rebuilding Trust

We are making progress in moving the conversation forward. While volume of media mentions increases, we are seeing an ongoing decline in neutral reporting alongside an increase in balance during Q4/22 and Q1/23. This suggests that while media opinions are stronger our messages are getting greater cut through.

Across our stakeholders we see the question of trust running throughout our conversations. We are beginning to see improvements in sentiment. Stakeholders have urged us to introduce schemes to encourage and precipitate positive interactions with the people we serve.

Stakeholders are increasingly eager to promote progress made in their areas. There are also opportunities to galvanise the media's interest in the water industry into sharing positive improvements.

Due to our legacy performance and our current position, all engagement be it face to face or through other communication channels needs to be transparent and authentic.

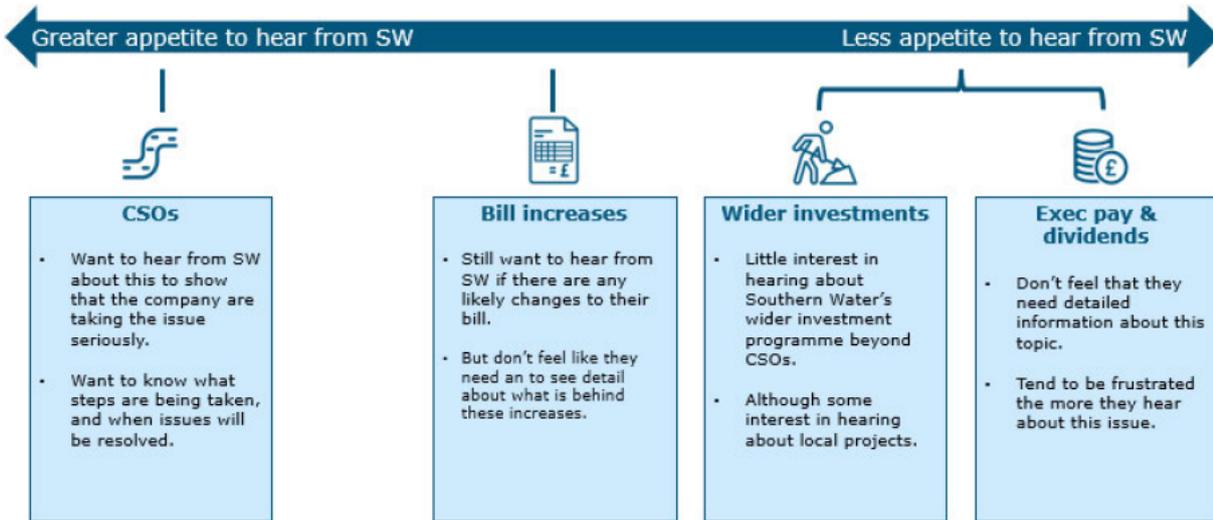
In everything we do we must:

- Show examples of investment and change that are/will tangibly improve our performance,
- Act on what matters most to our customers, stakeholders and local communities,
- Be open and honest about timescales. Cost, affordability and the regulatory framework all play a part in the speed with which we 'fix' things.
- Engage – involve customers in 'feedback loops' - listen, do, learn.
- Be a reliable source of information and dispel false narratives.

We will continue to use localised customer, media and stakeholder insight, combined with national and global consumer research, using tools such as Edelman's annual Trust Barometer, to adapt and align our communications approach over the next five years.

Figure 3: Areas customers would like to hear more about¹⁰

Customers primarily want and expect to hear Southern Water’s plans for tackling CSOs



2.1. Areas of focus

Given the volatility of the external environment, it’s important our plans are clear, anchoring our activities against the topics and concerns we know from our insight match customer concerns. Our plans are shaped around four topic areas.

We must	Rebuild the reputation and trust in Southern Water, its leadership and turnaround / AMP8 plans with our customers, stakeholders, community groups and colleagues			
By	Reassuring and evidencing that we ‘get’ the problem and the public concern around it, that investment is happening, plans are in place and progress is being made in four focus areas			
In four areas	Healthy Rivers and Seas	Creating a sustainable water future	Caring for our customers and our communities	Engage and empower our people
So that we are known for being	<ul style="list-style-type: none"> a guardian of the environment – improving the quality of our rivers and seas reducing pollution incidents tackling the challenge of storm overflows 	<ul style="list-style-type: none"> planning for the future tackling leakage building resilience into our water supply network 	<ul style="list-style-type: none"> supporting customers when they need us being there for the most vulnerable acting with legitimacy, as an ethical, well-managed business working and delivering 	<ul style="list-style-type: none"> building pride in Southern Water as a great place to work

¹⁰ See [technical annex SRN14: Customer Insight](#), Section1 Index: 196 -Comms Investment Final Combined Report Sep '23

	<ul style="list-style-type: none"> having a clear route map to get to a 3-star EPA rating 		transparently in our communities	
--	--	--	----------------------------------	--

Underpinning our four areas of focus is a set of principles that we are applying across all our communications and engagement activities. These are:

- **Investing** in areas that will improve performance,
- **Acting** on what matters most to our customers,
- **Evidencing** progress, being **honest** about timescales,
- **Partnering** credibly with stakeholders and Government,
- **Leading the debate** for industry wide improvements,
- **Supporting our employees** so we become the regional employer of choice,
- Demonstrating leadership action to **earn back trust**.

2.2. Activities and tactics

2.2.1. Customer engagement via media, social media and customer marketing

Media metrics are already showing us that our more focused and proactive approach is starting to change negative sentiment. We will continue to build on this by:

1. **Insight and research** – using more in-depth customer insight and research combined with media and stakeholder monitoring has helped us ascertain what topics our audiences want us to be communicating about. We will continue to use this insight and specifically focus more on tailoring our communications to specific regions and local areas.
2. **Strategic customer content development** – based on our insight and research, we will create more multi-channel content packages targeted at specific audience groups and localised areas. For example:
 - a. Monthly customer email newsletters, which include links to news about regional investments benefiting them and their communities, as well as offering regular advice about how to prevent blockages and save water, money and energy. Our recent investment in a new digital platform is already accelerating this work.
 - b. Being rigorous in a 'drumbeat' approach to sharing examples of progress. We are seeing improved customer recall for example on the content we are sharing about local investment programmes. For example, in March 2023 we saw recall of media articles on investment in infrastructure increase by 8% points ¹¹following recent announcements.
 - c. Expanding and strengthening social media strategies, with more relevant and targeted content. During 2022, for example we saw an increase in positive sentiment of 80% (negative 68%; neutral 187%) and the highest increase in engagement on Twitter, with impressions increasing by 3.3 million (up 295% on 2021).

¹¹ See [technical annex SRN14: Customer Insight](#), Section1 Index: 26- Southern Water - Reputation Tracker

3. **Impactful customer marketing campaigns** – driving greater cut through and action on a single topic or issue. For example:
 - a. T100, our programme to help customers to reduce their water consumption, has just been through an overhaul and refresh complete with new visuals and messaging. In the first two months of the campaign going live we achieved 2.5 million views of our TV advert, 2.9 million listens to our radio advert, 3.8 million views of our social media advert and 95,000 click throughs to our water saving website hub.
Within just two months of the campaign launching, our per capita consumption in July 2023 was 127.7 litres per day, below our target for the year, demonstrating our efforts are getting cut through.

4. **Building stronger and more informed relationships with the media** – through a series of BAU activities such as:
 - a. Sharing regular positive stories with key contacts. Our programme of engagement has seen us generate positive national content on the use of water butts, and we are beginning to see more informed reporting, in parts, on complex issues.
 - b. Taking a stronger stance in rebutting false narratives. We will continue to address editorial inaccuracies and seek right of reply / letters to the editor as we have increasingly done in recent months.

5. **Strategic stakeholder engagement tactics** – ensuring a more personalised approach when it comes to our stakeholder engagement work. This includes:
 - a. Reviewing our stakeholder segmentation to ensure we're targeting the right stakeholders with the best content.
 - b. Regular e-newsletters tailored by county to keep our stakeholders up to date on investment and projects we're working on in their area.

6. **Upgrading our technology** – we will continue our customer-facing digital technology transformation to provide digital literate customers with a better suite of communication platforms and channels. This includes:
 - a. Continuing to ramp up our new email marketing tool, [REDACTED].
 - b. Updating and transforming our website to make it easier for customers to self-serve.
 - c. Creating more micro-sites for our reports and campaigns to make them easier to navigate and more digestible for customers and the media.

2.2.2. Supporting and engaging our stakeholder groups

We engage with a diverse range of stakeholders including regulators and central government bodies, local authorities, environmental groups, vulnerability groups, business groups, tourism, charities, community organisations and housing providers.

To ensure our engagement strategy best meets the needs, concerns and expectations of our stakeholders, we have mapped them according to levels of interest, engagement and understanding (this is outlined on the following page). This has enabled us to develop a strategic and tailored approach to our engagement with each of our stakeholder groups.

We will build on this by:

- Continuing to use a range of methods to inform and engage our stakeholders including workshops, webinars, bilateral meetings, regional forums, our website, letters, emails and newsletters.

- Creating a calendar of site visits for our key stakeholders to show our water and wastewater treatment sites and field visits with relevant teams to fully understand the challenges of regular maintenance work on the network, the impact caused by illegal connections and see the installation of nature-based solutions.
- Expanding our dedicated stakeholder engagement team, that use and monitor best practice from within and outside the water industry.
- Strengthening our team of county Stakeholder Managers to deliver more tailored and relevant engagement programme at a local level, including participation at external forums, newsletters, stakeholder events and regular meetings with key organisations.
- Creating more face-to-face opportunities through annual county workshops (independently facilitated), webinars, and regular dialogue through our Independent Climate and Environment Group.
- Playing our part in the national debate on water sector issues and collaborating with our partners to find solutions to multi-sector challenges.
- Continuing to track, test and validate our findings through our stakeholder engagement programme and annual perception audits.

Stakeholder categorisation and engagement approach

We have a tiered approach to engagement that ensures we're speaking to the right people at the right time using the most effective channels for different stakeholder groups. This also means we can develop cost effective, targeted and stakeholder-led engagement approaches that maximise impact, facilitate partnership approaches and ensure stakeholder views influence decision making in Southern Water. The table below sets out how we've prioritised our stakeholder groups.

Group	Stakeholder type	Stakeholder groups	Engagement requirements	Example activities
1	Operationally important; high levels of engagement	<ul style="list-style-type: none"> Local authority officers, Environment management and protection managers, Flood and Waste. Management Coordinators, Planning officers. Catchment partnerships. 	<ul style="list-style-type: none"> Coordinated introduction via Southern Water engagement plans overview email. Co-ordinated approach required to facilitate responses to consultations. Tailored content for BAU activities and to facilitate involvement in workshops, events, and group engagement activities. 	<ul style="list-style-type: none"> Regular liaison meetings with county and unitary councils and coordination of key forums e.g., bathing water steering groups. Co-designed, co-funded projects with local authorities, and others, coordinated through our Clean Rivers and Seas Taskforce. Partnership agreements with target catchment partnerships, providing funding for key activities. Annual workshops. Focused webinars on WRMP, DWMP and WINEP.
2	Operationally important; low levels of engagement	<ul style="list-style-type: none"> LEPs; Chambers of Commerce; CBI. Trade/industry associations, including house builders and energy industry. Water Retailers. Developers. 	<ul style="list-style-type: none"> Tailored SW content and/or group engagement activities Targeting of stakeholder organisations representing groups, coordinated with relevant teams. Coordinated/agreed approach with water retailers and developers. 	<ul style="list-style-type: none"> Newsletter and direct email updates. Water neutrality newsletter & webinars. Developer Days.
3	Reputationally important; high level of understanding	<ul style="list-style-type: none"> Local MPs; Local Authority Leaders Local Authority CEOs. Large/influential interest/pressure groups; Locally active pressure groups. Senior environmental stakeholders. High profile influencers 	<ul style="list-style-type: none"> Tailored SW content for 1:1 engagement and group engagement activities. BAU and existing platforms. 	<ul style="list-style-type: none"> MP forums, roundtables and parliamentary drop ins. Site tours & targeted newsletters. Direct incident response communications.
4	Reputationally important; low level of understanding	<ul style="list-style-type: none"> Charities/community groups representing low income or vulnerable customer groups. 	<ul style="list-style-type: none"> Tailored SW content and group engagement activities. 	<ul style="list-style-type: none"> Newsletter and direct email communication. Vulnerability outreach teams. Community engagement activities.
5	Reputationally/operationally less important; keep informed	<ul style="list-style-type: none"> Small pressure groups; community flood groups/interest groups. Bodies representing water users – fisheries, canoeists, fresh-water swimmers. 	<ul style="list-style-type: none"> To be covered by community engagement events and existing platforms. 	<ul style="list-style-type: none"> Newsletter and direct emails. Capital projects communications. Community engagement activities.

Examples of our stakeholder engagement activities:

Development of our long-term plans

We've incorporated feedback generated from several consultation and engagement programmes to inform the development of our plan. We introduced a coordinated approach for engagement on various statutory and non-statutory plans, ensuring we utilised each engagement activity for our PR24 engagement and insight programme. This work included:

- Two public consultations on our draft Drainage and Wastewater Management Plan – receiving over 200 responses
- Discussions with catchment partners on our plans for 11 drainage catchments in our region and the development of our Water Industry National Environment Programme (WINEP)
- Working with Water Resources South East on stakeholder engagement activity to support the development of the regional Water Resources Plan – webinars, stakeholder forums and public consultation
- Public consultation on our Water Resources Management Plan – receiving around 500 responses
- Insight gathered through these activities (alongside our ongoing programme of stakeholder engagement) has played a crucial role in shaping our PR24 business plan.

Annual stakeholder workshops

In our most recent series of workshops, held in April and May 2023, a total of 134 stakeholders participated, representing over 75 organisations across our region. The most widely represented stakeholder types were local authorities, regulators, environmental groups and parish/community councils.

The workshops were hosted online and were independently facilitated and reported on. Southern Water shared presentations on a number of topics including the company's turnaround plan and the PR24 business planning process, ensuring a reliable supply of water, environmental performance, and affordability. This was followed by a facilitated discussion in breakout rooms to gauge their reactions to our plans and proposals for the 2025-30 investment period.

We asked stakeholders to share feedback on the workshops to help us continually improve. 86% of attendees found the workshops to be either interesting or very interesting with 95% able to make their key points and ask the questions they needed answering.

Customer and Stakeholder 'drop-in' sessions

We hosted two customer and stakeholder drop-in sessions in March 2023 in both the Isle of Wight and Kent.

Isle of Wight

We held two days of customer and stakeholder drop-ins on the Isle of Wight, at two separate venues. There were several stands where visitors could see the various schemes we are delivering for the Island, including information on the Sandown Pathfinder and water recycling schemes, the Clean Rivers and Seas Taskforce schemes to reduce reliance on CSOs, and the support we offer to our more vulnerable customers, with our range of social tariffs and other cost-saving measures.

Customers and stakeholders could also raise any areas of concern they had. Most of the concern lay around plans to reduce pollution incidents and CSO usage, as well as securing their own water resources without relying on the mainland.

The events were attended by more than three hundred people and feedback was strongly supportive of the schemes the company are proposing.

Kent

Approximately 40 customers and stakeholders joined us for a community drop-in held following supply interruptions in Broadstairs, Ramsgate and Margate. The drop-in provided the local community with an opportunity to raise important issues around the resilience of their supply and our plans to accommodate future growth in the area. Our plans to reduce our use of storm overflows and pollution was also a key topic of discussion.

Colleagues from across the business joined the session to ensure queries could be addressed sufficiently on the day. Teams represented included, Water Operations, Customer Services, Clean Rivers & Seas Taskforce, FOG & Unflushables.

Through direct engagement opportunities such as this we can often turn around sentiment and improve trust in our proposals to address customer and stakeholder concerns.

Partnership working

We have teamed up with local authorities and partners across the region to find new, innovative nature-based solutions to significantly reduce our use of storm overflows. We're tackling the issue at source and rather than digging up roads and replacing pipes, we're looking at how partnership approaches can slow the flow of rainwater and separate it from wastewater. Two examples are given below:

SuDs in Schools

We've partnered with the Department of Education to work with 47 schools in our region to install raingarden planters, free of charge, on school roof downpipes to remove or slow the flow of rainwater - rainwater running off school roofs, playgrounds and hard surfaces can overwhelm the combined sewer system, causing localized flooding and storm overflows. For four schools, we've also designed large sustainable drainage solutions to separate surface water on site.

Newport and Ryde, Isle of Wight

We're working in partnership on two Local Authority projects to improve the town centres and install green designs. The town centres are problematic drainage areas with large impermeable areas such as car parks, roads and buildings.

We will co-design, co-fund and co-deliver tree pits, rain gardens, permeable paving and other sustainable drainage features. Not only will the town centres look greener, and more attractive, but they will also reduce storm overflows by holding back and slowly releasing stormwater.

2.2.3. Working with our local community

Engaging our local communities is a key part of how we will rebuild trust and confidence in us. By working at grass-roots level on projects that matter to us and the local community, we can not only help our local areas thrive but also demonstrate our support and commitment. Our strategy is made up of four pillars of work in response to customer insight.

Our CSR strategy is made up of four pillars.

Figure 4: Our CSR Strategy Pillars:

Improving outcomes and building skills for our community	Making the Community stronger	Caring for the Environment together	Demonstrating our role as a good corporate citizen
<p>Sharing our expertise and supporting young people with curriculum support and skills</p>	<p>Strengthening and improving relationships so communities feel valued, heard and considered by the organisation</p>	<p>Working with customers and communities to be co-custodians of our environment, ensuring they feel supported and engaged around sustainability and the climate crisis</p>	<p>Taking responsibility as a local company and using our financial strength for others</p>
<ul style="list-style-type: none"> Curriculum-related education assets School speakers programme Opening sites for education trips Championing STEM and Water industry careers Young person mentoring Bursaries and access to free training 	<ul style="list-style-type: none"> Targeted community outreach activity Community grants Volunteering Community Ambassadors Community steering group Partnership working and taskforces Capital Works programme 	<ul style="list-style-type: none"> Improving our sites in the community Increasing bio-diversity and promoting nature based solutions Water Efficient public spaces and schools Championing sustainable living and enjoyment of blue /green spaces 	<ul style="list-style-type: none"> Customer Hardship and Community Grants Reparation activity after incidents Promoting diversity and inclusion in our work CSR Benchmarking Responsible business partnerships Charitable Trust
<p>Enhance Health and Wellbeing</p>		<p>Protect and Improve the Environment</p>	<p>Sustain the Economy</p>

2.2.4. Examples of community engagement

Community Grant

As part of our wider Community Grants programme. In 2022 we provided £1,000 to twenty Community Centre’s to support their utility bills during the winter period following feedback from our communities. This supported community centers to focus on the needs of their local area users by responding to their need around core funding providing a shorter application process and enabled over 6,000 people to continue benefiting from a warm and welcoming space.

We want to continue this type of support and consider how our own buildings and facilities could be used as community assets.

Community Connectors

We are creating a Community Connectors Programme to help us increase the support we provide to community leaders who help share our messaging to their communities and hard to reach groups. This will be a two-way programme where we will support and train the leaders so they feel confident to translate our messages and in turn they will share feedback and insight from their communities so we can continually improve.

Education and work experience

We have expanded our Key Stage 1 and 2 offer to support secondary school students and those studying water and environmental related courses with work experience and access to information from across our sector.



In 2022/23 we engaged with 30,000 students and young people. Of 31 schools surveyed following our engagement, over 80% said that they would attempt to change their behaviors around mindful water usage and responsible disposal of fats, oil and grease in the home as a consequence.

3. Demonstrating that our Current Approaches Have Impact

Our plans have been informed by the progress we have made and the insight that we continue to gather.

3.1.1. Healthy rivers and seas – being known for ‘tackling the use of storm overflows’

Example 1 – Our Clean Rivers and Seas Taskforce

Despite being a significant part of our existing wastewater management system, we know that the use of storm overflows in extreme weather is no longer considered acceptable to our customers and our local communities.

In addition to investment in infrastructure we need to get to the heart of the issue and tackle how we slow and stop the flow of surface water entering combined sewer systems that were not designed to cope with current volumes. In November 2021 we introduced our Clean Rivers and Seas Task Force. The Task Force was set up to trial and demonstrate new ways of tackling the issue before rolling out and investing at scale. As part of this work, we have:

- Established six Pathfinder Projects on the North Kent coast, in the South Downs and harbours, and The Isle of Wight where storm overflows were part of complex local issues,
- Worked in partnership with the local community to identify potential causes, trialing and putting in place nature-based solutions such as water butts and swales,
- Engaged with over 40 schools (with a further 50 planned in FY23/24) to improve understanding as well as build raingarden planters,
- Engaged with community groups to understand concerns, address issues and share the challenges. This has included Surfers Against Sewage and Swim England as well as local ‘flocks’ of the Bluetits swimming community,
- Provided regular updates about our work – reports on our website, targeted press releases, social media content, videos and animations,
- Worked with key stakeholders such as SOS Whitstable in Kent and the Clean Harbour Partnership in Sussex.
- Responded to the customer ‘ask’ to understand the long-term plan to address the issue, created an interactive map which sets out what it will take to significantly reduce the use of storm overflows in the years ahead,
- Offered site tours to those who have complained or had limited understanding of the wastewater treatment process (70 people) with 50 site tours being accepted and completed in the last 12 months,
- Taken advantage of the Ofwat Accelerated Funding mechanism so we could demonstrate how these solutions can work at scale during this AMP period.

Going forward we have plans to increase the scale and investment in this work. Our Pathfinder Projects have been an industry leading example of working in a different way to tackle a significant and reputationally challenging issue. This work paves the way for 2025-2030 and will be a key part of our engagement and communication direct to customers, with regional stakeholders, the media and across our social media channels.

3.1.2. Creating a sustainable water future – being known for ‘planning for the future’

With climate change, and the first Temporary Use Bans seen for ten years being implemented in 2022, customers are becoming more alert to the threat to sustainable, long term water supply. We need to build trust and confidence in the actions that we are taking now to ensure supply for the future. We also need to work in partnership with customers and communities so that everyone understands the part they play.

Example 2 – Target 100 Consumer Water Saving Campaign

Our ongoing Target 100 campaign aims to help our customers to reduce their daily water usage to 100 litres per person per day.

- During the first half of AMP7 our messaging focused on building awareness of water scarcity and how demand will outstrip supply unless we all work together.
- The campaign, which included direct customer emails, social media posts, press articles, TV and radio advertising reached almost 300,000 people, delivering 352,000 impressions and 25,000 engagements with customers.
- Preceding and during the 2022 drought, we moved to targeted messaging about the need to protect the local environment and the precious chalk streams in Hampshire.
- We had regular communication with our customers, stakeholders, businesses and employees so that they were up to date about restrictions and knew what we were doing to mitigate the impact.
- We also launched an industry leading ‘You Save, We Pay’ initiative with our retail customers to incentivise water saving eight million litres of water.
- Every year we visit our customers and carry out thousands of water saving visits to offer advice and guidance. In 2022 we visited over 8,000 customers which resulted in us saving 534 cubic meters of water per day.

In May 2023 we launched a 12-month awareness campaign called ‘Save a little water, make a lot of difference’. This campaign forms the start of the journey that we want to take our customers on from now through to 2040. It has a robust behaviour change methodology behind it which builds on our water-saving visits, introduces smart meter technology and new tariffs, as well as creative new communications and marketing.

Within just one month of the campaign launching, we recorded 39 per cent campaign recognition amongst customers with the strongest takeaway from our campaign materials being customers understand they should be looking at ways to save water. Within just two months of the campaign launching, our per capita consumption in July 2023 was 127.7 litres per day, below our target for the year, demonstrating our efforts are getting cut through.

Example 3 – Engaging and taking action now to secure water supply for the future

To keep taps and rivers flowing in the future we are proposing the introduction of four water recycling schemes between 2027 and 2035 in our most water stressed areas. Despite this technology being used in



many countries around the world, public perception on water recycling in England has been marred by the media and social media using the term 'toilet to tap'. As water recycling is an essential step in providing a sustainable water supply for our current and future customers, gaining customer acceptance is critical.

This will take time, we need to raise awareness of the need for more water sources, position water recycling as a safe and tried and tested solution to water scarcity and dispel misinformation. We are already making progress particularly around our Hampshire Water Transfer and Water Recycling Project and will continue to build on the foundations made over the next five to ten years both on a national and local level.

- Customers have told us through multiple research programs that water recycling is a logical and scalable solution to resource challenges. They feel a combination of demand and supply options work best. Water recycling is seen to address the root cause, compared to transfers that can be seen to 'move the problem around'. Recycling is preferred to desalination because of the overall impact to the environment and carbon intensity.
- We take a leading role in ensuring a strategic and collaborative approach to water recycling across the water industry. We have established a National Water Recycling Communications Group made up of communications leads from each of the water companies proposing water recycling schemes. The objective for this group is to ensure the industry is using a common narrative and collaborative approach to educate the public and national level stakeholders on the need for water recycling and engage independent organisations to become advocates for the technology.
- We have created a water recycling hub on our website to act as a one-stop-shop for all information relating to the technology and our four proposals. On here we have information like graphics and animations tailored to customers and stakeholders who are not familiar with water recycling, and information for those that are more informed on the technology and want to read technical documents about our proposals.
- Our strategy on both a local and region wide level will focus on three phases. 1) raising awareness of water scarcity and the need for more water sources positioning water recycling as the most sustainable option. 2) educate on technology and dispel myths. 3) build trust in the technology.
- In the summer of 2022, we held a six-week public consultation on the Hampshire Water Transfer and Water Recycling Project. More than 9,000 people visited the consultation web pages, 878 attended one of six drop-in sessions and we received 571 consultation responses. 42% of respondents supported the water recycling proposals.
- We have hosted tours of our temporary water recycling pilot plant at Budds Farm with more than 100 stakeholders to show them the treatment process in action and the clean water produced.

We are now developing a wider engagement campaign on water recycling to be delivered across our region, including a series of school talks and community presentations.

3.1.3. Caring for our customers and communities – being known for ‘being there for the most vulnerable’

Example 4 – Targeting support when and where it’s needed most

We see significant variance in our customer demographics across our region. While there are areas of affluence, we also have high levels of deprivation with customers in a range of vulnerable situations. Vulnerability is a broad term and can include everything from those in poverty / low incomes, to specific cases of illness, to those who find themselves in personal crisis caused by factors beyond their control. Ensuring that we reach out and engage with customers when and where they need us most helps to rebuild trust and demonstrates our integrity. It’s also important that in addition to increasing our social tariffs and improving financial support, we also work at local level. Examples include:

- We have over 8.3% of households / 166,000 customers signed up to our Priority Services Register. We work with local councils (parish, district and county), major charities (such as Age UK), advice providers (such as Citizens Advice Bureaux), grassroots community organisations (such as foodbanks) to raise awareness and provide support.
- We have many data sharing agreements in place. For example, Age UK, UKPN, DWP, SSEN and a few local housing associations provide details of everyone on pension credit so that we can proactively align to our 45% Essentials Tariff. We share PSR data with UKPN and SSEN so that we optimise our shared understanding of where our vulnerable customers are across the region.
- We work with national charities at local levels. For example, by partnering with Kidney Care UK we have been targeting the estimated 3,000 customers on dialysis who are not benefiting from the support and discounts we know we can provide.
- In Thanet, an area of significant deprivation, we provided a £30 supermarket voucher to every child receiving free school meals (FSM); similarly in Worthing. The total value of this support was nearly £240,000 and by working with the local school’s authority we were able to reach those that really needed it.
- Whenever we engage directly with the media about bills or issues to do with the cost of living, we make a point of asking customers to contact us directly so that we can help those in need. We also have an ‘always on’ programme across our social media channels to raise awareness that we’re here to help.
- Our hardship fund was created to provide alternative support to those with very immediate needs. As an example, and to illustrate the impact this fund has:
 - *Jayne had been living in a women’s refuge for a number of months and was delighted to be allocated her own home. However, when she moved in, there was no equipment in the kitchen. Jayne has struggled with mental health and eating disorders, and so having a cooker was important to get her back on her feet. She applied to Southern Water’s hardship fund and the cooker was installed in her kitchen the same month. In Jayne’s own words “throughout the process it feels like I was dealing with friends, they really did everything they could to help”.*

Building on our current approaches we are 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 used our research to increase the number of customers that we can support from 2025 -2030 and for tailoring how we engage accordingly.

Example 5 – Responding when our operations fail to deliver

In any operational business, things do sometimes go wrong, and we know that when they do our customers need honesty and transparency about what's happened, the impact, and importantly what we are doing to return to service. While disappointing to have experienced the number of loss of water supply incidents during 2022/23 that we have, we have learned and improved how we communicate and engage during an incident situation. Our insight has shown us that:

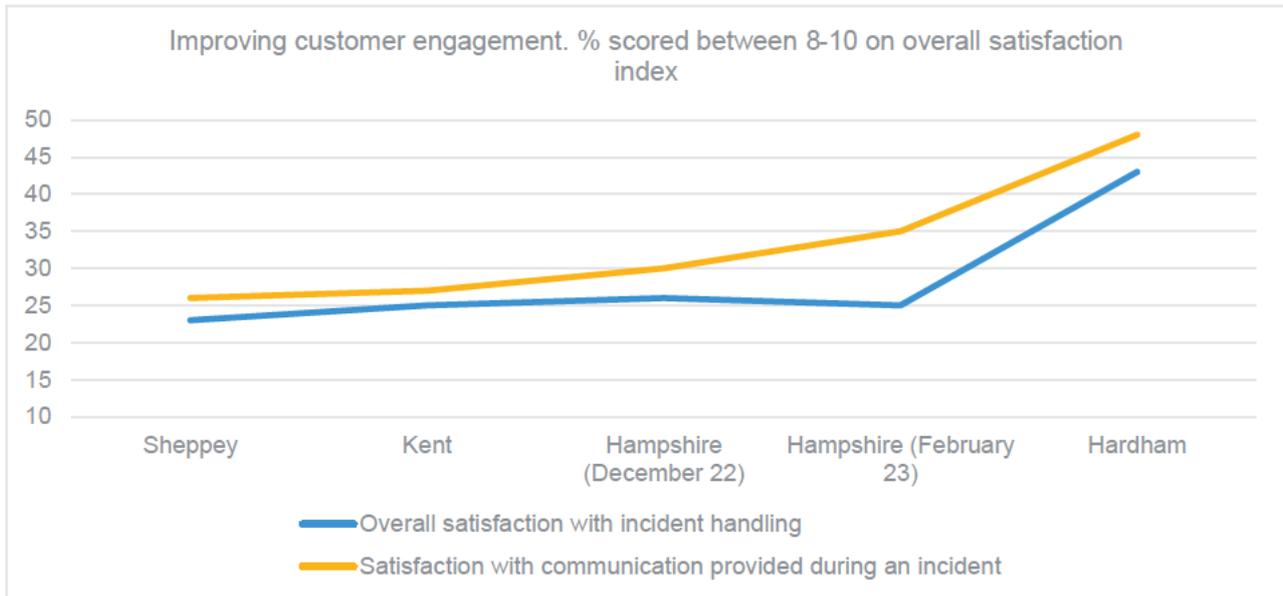
- Customers want and expect much greater clarity on why the issue has happened and the progress we are making to fix it. Providing timelines around return to service is key.
- Providing reassurance, particularly to those who are vulnerable, does a lot to manage anxiety. We are proactive in our PSR messaging and quick to confirm bottled water stations as soon as logistics are in place.
- Direct methods of communication, such as text messages, have greatest positive impact.
- Working with local stakeholders, particularly local councillors, and the local resilience forums, provides hyper-local insight and our response is stronger as a consequence. For example, in addition to bottled water stations we now consider pallet drops of bottled water to community centres or schools where a local councillor or representative can distribute.
- We need to think more broadly. For example, in addition to protecting critical services such as hospitals, and the impact on schools – particularly during exam season – as well as doing what we can to support the farming community with aquacubes or direct tankering.
- Compensation is not just about bill rebates. In addition to GSS obligations, identifying community groups where we can make a more enduring difference is a better form of apology for the inconvenience we have caused. For example, we have made one-off donations to food banks, and we have supported an independent lifeboat charity with the replacement of their boat.

Behind the scenes we have:

- Reviewed and updated the roles we have on our incident rotas and updated core processes and channels and strengthened our training.
- Put in place a major incident structure so that we get greater focus on communication to specific groups – customers, regional and national stakeholders, and the media.
- Increased our media training so that we are far better positioned to do live interviews on TV and radio to explain what has happened – this is critical for customers that do not follow social media.
- Improved our communication assets and channels so that we are 'ready to go' with standard advice about what to expect when water returns, or being clear about when customers will hear from us about GSS payments for example.

While the data shows that we are going in the right direction, and underlines that our proactive, honest and transparent approach is paying off, we know that every incident provides something from which we can learn and improve.

Figure 5: Satisfaction with Incident Handling (2022-2023):



4. Ongoing Measurement and Course Correction

We recognise the next few years will continue to be challenging for us, and for the sector.

The public sentiment with respect to 'the state of water' is likely to continue to be targeted by political campaigners, and pressure groups as we head into the next general election. At local level, councillors will be influenced by local voices – our customers – about the issues that matter to them. While storm overflows will continue to be an allowed and necessary part of our network, our customers are likely to get increasingly more vocal about their unacceptability.

We are acting to improve operational performance and have a solid plan for improvement in the current AMP, it will take time before capital investment plans improve the resilience of the business and to some extent our performance normalizes to mid table with our peers. Throughout rest of the AMP as we continue to make progress on the Turnaround Plan, we will keep listening and we keep engaging. This will sharpen our understanding of current and evolving issues and enable us to respond to them, proactively, with a relevant narrative and demonstrate how the effort and results of the team work that is helping us to meet the expectations of our customers and our communities.

There is further information about our ongoing measurement and insight in our Customer Engagement chapter and support annex. This includes information about message testing and acceptability.

More specifically for our communications and engagement approach, we will continue to take monthly temperature checks on sentiment and perception and adapt accordingly. Specifically, we will also measure our impact through:

- Shadow C-Mex on a monthly basis.
- Media monitoring – aiming to swing the amount of negative coverage into positive.
- Social listening – to understand and respond with content that drives more neutral and positive comments about Southern Water and sector.
- Stakeholder engagement annual survey.
- Individual campaign monitoring and metrics.