



Data Assurance Summary

Annual Performance Reporting
2024–25

from
**Southern
Water** 

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Introduction

This document sets out the scope and results of our assurance activities for reporting our performance in 2024–25. It should be read in conjunction with our Annual Report and Financial Statements 2024–25 and our Annual Performance Report 2024–25, which provide full details of our performance during the year.

This is one of three documents relating to assurance that we publish during the year for our AMP7 performance reporting, as part of our annual reporting cycle for customers, stakeholders and regulators:

- Data Assurance Summary (in July in parallel with our Annual Performance Report)
- Statement of Risks, Strengths and Weaknesses and Draft Assurance Plan for consultation (published in November)
- Final Assurance Plan (March) which takes on board comments from the consultation on the Statement of Risks, Strengths and Weaknesses and Draft Assurance Plan

All three documents focus on the quality of our information reporting and governance. They can be found at southernwater.co.uk/about-us/our-annual-reporting.

We take full responsibility for our performance information and take a transparent approach to data assurance. This assurance provides confidence in our reported performance and the delivery of promises made in our 2020–25 Business Plan.

We continue to build a greater level of trust and confidence in our reporting. In addition to our own internal assurance teams and processes, our highest risk performance data is assured by an independent assurer.

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

Summary of opinion

We are reporting on the final year of our five-year Business Plan 2020-25. We are pleased that internal and external assurance processes did not identify any material issues in the data reported or the processes and controls underpinning our Annual Report and Financial Statements and our Annual Performance Reporting in 2024–25. Both our financial auditor, Deloitte LLP (Deloitte) and our technical assurer, Jacobs, have provided independent reports which we have published.

In line with the Final Assurance Plan; Jacobs, as our independent non-financial assurer, completed the limited assurance (under ISAE (UK) 3000) of selected Performance Commitments (PCs) and Outcome Delivery Incentives (ODIs). This report can be found in Section 3 of the Annual Performance Report and in line with Ofwat's RAG 3.15, the remaining regulatory tables from the Annual Performance Report are published at southernwater.co.uk/about-us/our-annual-reporting.

Context

Regulatory background

We have now completed the final year of the 2020–2025 five-year Business Plan during which we continued to work on delivering the promises and performance commitments we made to our customers. In addition to ensuring our performance data is transparent and accurate, we also sought to ensure customers and stakeholders had access and understanding of relevant information.

In March 2025 Ofwat published their latest information notice IN 25/02 around their expectations for annual performance reporting 2024–25. In line with the previous year’s approach, Ofwat expect companies to provide

a risk and compliance statement, appropriately signed off, alongside their 2024–25 Annual Performance Reviews.

The notice also included a number of data requests to be submitted alongside the annual performance report; however, these are not subject to Board Assurance.

We publish our Data Assurance Summary as a matter of good practice. There is no regulatory obligation for us to do so, however, we have continued to do so in accordance with the requirements previously set out by Ofwat (Table 1).

Table 1 – Our minimum assurance standards

Activity	Previous requirement	Comment
Engagement on risks, strengths and weaknesses exercise	Companies should carry out an exercise each year to consider these aspects in order to target areas to improve. This should consider both data assurance and how companies provide assurance to customers more generally.	Southern Water maintains ongoing dialogue with its customers and stakeholders. Outcomes from these discussions are considered when pulling these documents together.
Publish risks, strengths and weaknesses statement	Companies should complete and publish statements on their risks, strengths and weaknesses exercise. All statements should be published before 30 November each year.	In line with previous years this was published and available on our website on 30 November 2024.
Publish draft assurance plans	Companies need to complete the risks, strengths and weaknesses exercise before they publish draft assurance plans. The Draft Assurance Plan should include any areas that are targeted based on this exercise.	In line with previous years this was published on our website on 30 November 2024.
Publish final assurance plans	Companies publish final assurance plans, providing responses to any comments they have received and publish a summary of the outcome of the data assurance that has been carried out.	In line with previous years this was published and available on our website by 31 March 2025. We publish a summary of the outcome of the data assurance that has been carried out on our website each year. This will be published alongside our Annual Performance report by 15 July 2025.

Licence of Appointment Review and Condition P assurance

We completed our annual assessment of compliance with our company Licence of Appointment in February 2025. The review provided a key-evidence base and additional assurance for our Board Assurance Statement, our Ring-Fenced Certificate (required under Condition P of our Licence of Appointment), and the assurance requirements of the undertakings agreed with Ofwat in 2019 in connection with historical misreporting of our wastewater performance (our Section 19 Ofwat undertakings (see below)).

Since last year there have been changes to requirements for Condition B: Charges, and Condition G: Principles for Customer Care. Both new requirements were addressed as part of the Final Determination Process.

Overall, a “good” level of maturity in relation to the Company’s performance, across the full set of active Conditions of the Licence was evident. However, “adequate” maturity was identified in two areas:

- Condition L: Underground Asset Management Plan continues to rely on our existing 2022 published Asset Management Strategy Policy and requires an update
- Condition G: Principles for Customer Care as a new requirement remains in development.

The annual Licence review provides evidence of the Board’s diligent enquiry into the principal risks of the business. These activities support the Board in signing-off their required Condition P Statement.

In order to meet the Licence Condition P Certificate requirements of the Ofwat Licence of Appointment and the Section 19 undertakings, the Southern Water Board needs to be able to clearly evidence the level of diligent enquiry that the board has undertaken, to ensure that it is able to demonstrate that the company will have sufficient:

- financial resources and facilities;
- management resources;
- systems of planning and internal control;

The Southern Water Board signs off Condition P assurance statements, to clearly demonstrate it has discharged its responsibilities and has made diligent enquiry into the principal risks facing both the wider business and the wastewater business (to support the Ofwat Section 19 undertakings).

Wastewater investigations

As reported previously, Ofwat undertook an investigation between 2017 and 2019 into our wastewater reporting that resulted in enforcement action being taken against us. This led to a decision to impose a financial penalty of £3 million. In addition, we agreed to make significant customer bill rebates, totalling £122.9 million (in 2017–18 prices), between 2020 and 2025. On 8 October 2019 we signed formal Undertakings pursuant to Section 19 (S19) of the Water Industry Act 1991 relating to the numerous changes we agreed to put in place, to ensure that the issues identified in the investigation were stopped and not repeated.

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

We delivered plans for improved transparency on environmental performance information on our dedicated website southernwater.co.uk/about-us/environmental-performance.

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

Environment Agency

Like other wastewater operators, in the normal course of operations we occasionally face investigations by the Environment Agency (EA) regarding wastewater matters following incidents. In addition to those, the company was subject to a detailed investigation regarding breaches at some of our wastewater treatment works during the period 2010–15. In July 2021 we were sentenced and fined £90 million following an EA investigation and court case.

We provide a significant amount of data to the Environment Agency about the performance of our assets, our abstraction and management of water and any wastewater or sewage discharges we make into rivers, streams and coastal waters. We are committed to transparent reporting of high-quality data that can be trusted by our customers, stakeholders and regulators.

During 2024–25, assurance has been undertaken by our teams within Southern Water across a number of processes in the following areas for the EA:

- Storm and emergency overflow spills
- Daily flows
- Programming of our final effluent sampling
- Environmental Performance Assessment
- Annual return for abstraction licencing
- Groundwater and final effluent monitoring
- Supply Demand Balance Index
- Pollution Incident Reduction Plan (PIRP).

Drinking Water Inspectorate

We have a varied programme of activity helping to improve our information management systems and processes. This package of work started in 2020, and a programme of asset and IT improvements designed in cooperation with the DWI concluded in March 2025. This work was within the scope of our Section 19 Information Management Undertaking (IMU) with the DWI which formalises this element of our programme. On conclusion of this activity, we are better able to link our asset, network, customer and water quality data. As required, we submitted our final annual progress report to the DWI in March 2025.

As in previous years we have carried out comprehensive assurance on the data quality and accuracy of the inputs to the water quality sampling programme and the outputs for the annual return submitted to DWI. This data is a key component to the delivery of comprehensive water quality monitoring and includes internal assurance on the following inputs:

- Water supply zones
- Volumes into supply
- Asset list
- Process flags and source water

The outputs of the sampling programme were checked to ensure that:

- All assets (water supply works, water supply reservoirs and break pressure tanks) and water supply zones are included.

And that the treated and raw water information tables (annual details, site supply, site details and raw water) that are sent to DWI accurately reflect the relevant inputs.

Engaging our customers and stakeholders

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

In 2024–25 we engaged with over 50,000 customers for direct feedback and views on our service and future plans, representing over 10,000 hours of engagement. We combined this insight with over 10 million data points from other sources such as industry reports, contacts, complaints, social listening and demographic information. We have been working with households, families, businesses, developers, farmers, stakeholders, councils, young people, vulnerable audiences, diverse communities, and experts. Our Water Futures 2030 (household customers) consumer group continue to be central to our engagement with customers in the last year. Our Customer and Communities Challenge Group, made up of experts, helped review, challenge and improve our plans. The Groups follow best practice guidance, as set out by the Consumer Council for Water (CCW), to provide a continuous dialogue on both our current delivery and future planning. Increased public scrutiny of the sector and increasing investment plans for the future has placed greater emphasis on our need for continued engagement. We track major events, media impact, importance of priorities, run social listening and analyse consumer trends.

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

Our focus for the next year is on how insight can help drive the transparency needed with our customers. We're evolving our Challenge Group to have a more transparent group of experts, where their recommendations, and actions taken by Southern Water, can be seen by our

customers. Our tracking is focusing on several of our major capital programmes across the region, so our insight can support customers to better understand the increase to investment and the impact on our communities.

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

Our Statement of Risks, Strengths and Weaknesses

In November 2024 we published a written consultation on our Statement of Risks, Strengths and Weaknesses and a Draft Assurance Plan for 2025–26 which considered our customers' and stakeholders' views, along with our own internal risk assessment. Our assurance plan set out how we proposed to respond to the risks we identified. We asked for our stakeholders' views about our proposals. The responses we received during the consultation were used to shape our Final Assurance Plan for 2025–26, which was published in March 2025 on our website southernwater.co.uk/about-us/our-annual-reporting.

Our approach to assurance

We have a mature control environment in place that underpins our assurance programme to ensure our regulators and other stakeholders can trust the data that we report. Our Risk Audit and Assurance team ensure compliant reporting to our regulators by ensuring all our reporting is subject to sustained internal review and assurance.

In our 2025–26 Final Assurance Plan published in March 2025, we detailed our approach to assurance in relation to our performance information and acknowledged the importance of accurate information in building trust and confidence.

At Southern Water we follow the ‘three lines of defence’ framework for our reporting governance and assurance activity. This helps to assure performance information by applying multiple levels of control. We apply internal controls and have improved processes in place to mitigate the risk of supplying incorrect or inaccurate information on all our non-financial regulatory reporting. Ultimately, all assurance activity has oversight from the Board and Audit Committee.

The assurance plans are approved by the Audit Committee, which is responsible for overseeing and challenging the effectiveness of our approach.

Our 2024–25 assurance

Assurance overview

In the publication of this document, we seek to be transparent about our performance, and our processes, by publishing accurate, timely, stakeholder-friendly information. We agree that it is important that we continue to review what information our customers and other stakeholders want and need. We know we are accountable for the quality and transparency of the information we provide on our performance.

Ofwat require us to adopt a proportionate and transparent approach to the data assurance we carry out to give confidence to you, our customers and stakeholders in the information we publish.

Our objective is to provide credible assurance about our ability to deliver, monitor and report performance so that our stakeholders will have trust and confidence in us.

Assurance of our 2024–25 annual reporting

Our annual reporting is the primary way that we publish our annual performance information, and it is made available publicly to all stakeholders. It includes our:

- Statutory accounts – audited separately by Deloitte (Annual Report and Financial Statements)
- Annual performance and how this measures against our commitments (Annual Performance Report).

For 2024–25 Deloitte has audited sections 1 and 2 of the Annual Performance Report according to Ofwat's scope of work and audit requirements. Deloitte also reviewed the Long-Term Viability Statement as part of its year-end statutory audit. It carried out its audit and reported its opinion and findings to the Audit Committee. It provided an unqualified audit opinion that can be found in our Annual Report. In addition, Deloitte is undertaking assurance over our Condition P statements in line with guidance provided by Ofwat that this is completed by our external auditor.

We engaged Jacobs to undertake limited assurance (under ISAE (UK) 3000) for selected non-financial information. For the 2024/25 reporting year, non-financial information was assured of selected Performance Commitments (PCs) and Outcome Delivery Incentives (ODIs), focusing on checks undertaken for completeness, accuracy and validity of the underlying data. Jacobs's assurance report can be found in Section 3 of the Annual Performance Report.

Any issues identified during year-end assurance will be a key focus for follow-up and improvement in 2025–26. Whilst we have made progress in some areas, we need to continue to make improvements throughout the organisation. In addition, we are making data assurance a continuous activity, rather than just an end-of-year process.

Assurance completed

Significant areas for assurance	Rationale	Assurance activity	Results
Ofwat Annual Performance Report (APR), including Performance Commitments and Outcome Delivery Incentives (ODIs); Cost Assessment Tables	<p>We believe customers should be able to trust our reporting of all our non-financial performance information.</p> <p>Independent external technical assurance providers complete reviews of our regulatory compliance reporting processes and associated data, as well as reporting to our board, ExCo and the Audit Committee. This information is published in our Annual Performance Report and is detailed in our Data Assurance Summary.</p>	<p>Year-end non-financial assurance – external assurance and internal assurance.</p> <p>A risk assessment was completed of all the data that is reported to determine whether assurance ought to be internally or externally provided. Testing of the high and critical risk data lines for performance commitments and the cost assessment tables was performed by an independent assurance provider. Low risk testing was undertaken in-house.</p> <p>Jacobs, as our independent non-financial assurer, completed the limited assurance (under ISAE (UK) 3000) of selected Performance Commitments (PCs) and Outcome Delivery Incentives (ODIs).</p>	<p>Jacobs as our independent non-financial assurer issued an unqualified limited assurance ISAE (UK) 3000 report over selected PCs in Section 3 of our Annual Performance Report.</p>
RC25 mid-year assurance	<p>Building on findings of the year-end assurance process taking a review at mid-year supports embedment of improvements.</p>	<p>This review assessed readiness of key processes to report the non-financial AMP8 performance requirements described in Ofwat's Final Determination 2024.</p>	<p>We reviewed the maturity of the processes to report AMP8 Performance Commitments linked to ODI's. This focused on whether ownership, governance and processes had been established for these metrics; it did not include any detailed testing of data. Overall, our review did not identify any material concerns.</p>
Annual Report and Accounts, including financial APR data	<p>We have a statutory obligation to ensure that our financial accounts are robust, accurate and complete.</p> <p>Our Annual Report is the primary way we publish our annual performance information, and it is made publicly available to all stakeholders. The annual report includes our statutory accounts and our performance over the year and how this compares against our performance commitments as well as broader information on our commitments and responsibilities to stakeholders and customers.</p>	<p>Methodology and data are subject to three lines of assurance with our financial auditor, Deloitte LLP, performing third line assurance in accordance with the appropriate accounting standards.</p> <p>Our financial auditors will carry out assurance of reported performance data and presentation of information and risks.</p>	<p>As in previous years, this was completed by our financial auditor, Deloitte LLP.</p>

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Assurance completed – continued

Significant areas for assurance	Rationale	Assurance activity	Results
Business Plan 2025–30 (PR24) assurance	Our business plan for the next five years (PR24) was submitted to Ofwat in October 2023. A PR24 assurance workstream was established to support revisions and inputs to the development of the final plan.	Ofwat's Draft Determination (DD) was received in July 2024, and we had approximately seven weeks to prepare, assure and submit our response. Our assurance followed our standard risk-based approach; this included external technical assurance and legal support to produce the required output documents and facilitate the signing of updated Board Assurance statements.	The assurance programme supporting our Draft Determination response was completed as defined. Where areas of improvement and or revision were subsequently identified, external assurers continued to support. The assurance process supported the Board to challenge our plan, assure itself that the plan delivers long-term resilience, is of high quality, and responds to the evidence from extensive customer involvement and engagement.
Water Resources Management Plan (WRMP24)	Assurance over revisions and inputs to the draft plan and the final plan.	Technical and legal assurance over the methodology and content of the plan and the data tables in June 2024.	Statement of Response and final draft plan submitted to Defra on 30 May 2025.
Ofwat Undertakings	In June 2019, Ofwat issued a notice to impose a penalty on Southern Water following their investigation which highlighted significant failings relating to the management, operation and performance of our wastewater treatments works. As a result, Southern Water has committed to implement a range of financial and non-financial measures ('Undertakings').	Our September 2024 assurance review included broader programmes of work to support our compliance with our broader duties as outlined in Section 94 of the Water Industry Act 1991 and the Urban Wastewater Treatment Regulations 1994 (UWWTR).	In our October 2024 update to Ofwat we were able to report that we had completed the delivery of the programmes of work and embedment plans that support the S19 Undertakings.
Reporting to the DWI and DWI Information Management Undertaking	Southern Water is subject to a S19 Information Management Undertaking (IMU) and six Final Enforcement Order (FEO)s.	All annual data returns provided to the DWI is subject to first line control and is also the subject of second line assurance. Second line assurance is undertaken biannually to confirm and track the implementation of the agreed actions included in the Information Management Undertaking.	Annual assurance on reporting metrics was completed with no material issues identified. We submitted our final annual progress update on the IMU to the DWI in March 2025.
Annual Report to CCW	CCW is the statutory customer representative body for the water industry. We want to ensure that the information provided to them on a quarterly and annual basis is accurate.	Much of the information provided in the returns comes from our Ofwat Performance Commitments – this data is assured under our Annual Performance Report assurance processes (see above). Where the information falls outside of this, we will undertake second line assurance.	This work was completed on time in June 2024.

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Assurance completed – continued

Significant areas for assurance	Rationale	Assurance activity	Results
Carbon Accounting Workbook	This detailed tool calculates our greenhouse gas emissions and other green data. A technical review was carried out previously following updates to the workbook. This will need to continue as there are new requirements within our Annual Performance Report for 2022–23 reporting.	We will engage an external assurer to complete technical assurance of our Carbon Accounting Workbook. This will be carried out as part of our APR year-end process.	Technical assurance was completed by our assurance Partner Jacobs in 2024 with no material issues identified.
ESG reporting	Sustainable Investment Bonds – as a result of raising over £1 billion of sustainable bonds, one of the mandatory requirements is to report to our investors on an annual basis and provide them a report annually on the impact their investment has had on our ESG (environmental, social and governance) credentials, this is known as an 'impact report'.	DNV provide third line assurance on an annual basis.	ISAE3000 opinion provided by DNV in June 2025.
Ofwat Operating licence	We have a wide range of obligations to meet as part of our Ofwat licence to operate. We want to ensure that we can demonstrate that our activities as a business align to these requirements.	Second line assurance will be undertaken as part of an annual review of our Ofwat Operating Licence. This will be our third annual review. The review will also support our Condition P annual assurance (as part of the Ofwat Undertakings).	Assurance was completed in February 2025.
Reporting to the EA	Historic and ongoing investigations into our reporting to the EA means that we are under significant scrutiny over the information we provide. A programme of information management improvements is being delivered as part of our S19 Ofwat Undertakings	Regulatory reports provided to the EA will be subject to first line controls.	2024 EDM Return Storm and Emergency Overflow Bathing Season assurance – complete and return submitted by 31 October 2024 due date. WwTW Daily Flow Annual Report, OSM Annual Summary Report and Storm and Emergency Overflow EDM Annual Return assurance – complete and return submitted in February 2025. Effluent and Groundwater Monitoring, and Sludge Quantity & Quality return assurance – complete and return submitted in March 2025. Abstraction Annual Return and Supply Demand Balance Index (SDBI) assurance – complete and return submitted to the EA in April and May 2025.

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Assurance completed – continued

Significant areas for assurance	Rationale	Assurance activity	Results
Pollution Incident Reduction Plan (PIRP)	Our Pollution Incident Reduction Plan is updated annually and sets out how we will achieve a reduction in pollution incidents. This is also crucial to our work to improve our rating in the Environmental Performance Assessment.	We carried out second line assurance over our PIRP to assess effectiveness of the current plan against meeting our targets.	Assurance was completed in March 2025 to assess the effectiveness of current plans to deliver targeted reductions in pollution incidents.
Western Area Strategic Solution (Water for Life – Hampshire)	We have committed to working with other water companies to address our water resource issues and have several proposed solutions in scope for development. The work is being overseen by RAPID (Regulators' Alliance for Progressing Infrastructure Development) comprising representatives from Ofwat, EA and DWI. The funding agreement with Ofwat for 2020–25 states we are required to obtain "external assurance of data and approaches supported by Board statement".	Assurance has continued ahead of reporting milestones to RAPID. The remaining submissions for Gates 3 to 5 will be externally assured.	Assurance completed in line with RAPID milestones. Gate three and Stage two DPC submission completed.
WRMP19	Annual update to data tables	Review consistency and accuracy of data reported.	This was completed and submitted on time in June 2024.
GSS missed appointments payments / Customer and Third-Party Payments	Previous failures to comply with GSS standards resulted in improvement plan. Second line assurance to review compliance.	This was originally proposed as second line assurance on compliance with GSS requirements, however an Internal Audit review was already planned on Customer and Third-Party Payments, including GSS.	Our Internal Audit team completed a review of Customer and Third-Party payments in March 2025.



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