



Independent Customer Scrutiny Committee Meeting –

15 August 2025

Summary

Attendees:

- **Committee:** Dan MacDonald (Chair), Hazel Browne, Michael Turner, Jayesh Patel, Jacqueline Cale
- **Southern Water:** Lawrence Gosden (CEO), Antonia Burton (Chief Customer Officer), Nick Eves (Head of Customer Strategy, Insight and Performance), Laura Scott (Secretariat)

Apologies: N/A

1. Welcome & Introductions

- The Chair positioned the committee as a pioneering model for accountability in the UK water industry.
- Emphasis on independence, transparency, and customer advocacy.
- The mantra: “Check, Challenge, Champion”—to verify facts, question decisions, and promote best outcomes.

2. Apologies of absence

- None.

3. Declarations of interest

- None.

4. Terms of Reference & Committee Protocols

- Agreed and signed off by the committee.

5. Introduction: Committee Sponsor

- Antonia provided an introduction and highlighted the role and value of the group.

6. Holding to Account: CEO of Southern Water

- Lawrence provided an overview of company performance, priorities, and vision. Including a detailed overview of the company’s ethical reset, financial restructuring, and operational turnaround.

Q&A with Lawrence – Key themes:

- **Wet wipes** – the environmental impact and the need for Government to ban them.
- **CEO remuneration** - clarity provided on bonuses and the Long-Term Incentive Plan (LTIP).
 - LTIP is shareholder-funded, not from customer bills.
 - Short-term bonus was forfeited due to a Category 1 pollution incident.
 - Emphasised the need for competitive pay to attract top talent.

- **Customer communication and the need to improve SW's credibility** - positive operational improvements often buried in media coverage.
- **Investment and infrastructure readiness** – confidence in strong governance and shareholder backing. Risks are skills shortage and planning/regulatory complexity.
- **Staff morale and culture (especially for frontline staff)** - investing in staff engagement and public education.
- **Debt and financial sustainability** - Equity injection ensures debt remains sustainable. Public are always kept protected through the special administration regime.
- **Sustainable drainage and urbanisation** - Opportunity for stronger building control and public awareness.
- **Water quality and recycling** - Misconceptions around “greenwashing” addressed.
- **Customer vulnerability and support** - further communication needed to raise awareness.
- **Performance and future goals** - Goal to become the best-performing water company in the UK, 5–10 years of sustained effort required.
- **Committee commitments** -
 - Scrutiny Panel will continue to hold Southern Water accountable.
 - Lawrence commitment to integrate feedback into future planning.

7. Committee work programme

- Members expressed strong interest in focusing on:
 - **Leaks and pollution**
 - **Vulnerability and affordability**
 - **Customer insight and engagement**
- Plans to expand representation (e.g. Hampshire and Isle of Wight) and improve public communication.

8. AOB/Close


- No AOB.
- DM thanked all attendees for their openness and constructive engagement.

9. Next meeting

- Next meeting will be held on the 24th November and focus on Customer Service.

Summary of actions:

1. Southern Water to explore how to make information on executive remuneration and shareholder funding clearer and more accessible to the public.
2. Southern Water to explore ways to improve customer communications around emergency roadworks.
3. Southern Water to consider launching a targeted campaign to raise awareness of Southern Water's Priority Services Register, with a particular focus on temporary registration.
4. Southern Water to consider publicly sharing the scientific evidence underpinning its investment in green infrastructure—such as wetlands and sustainable drainage solutions—to help build public understanding and confidence.
5. Southern Water to consider expanding the ‘Your Water Matters’ events, newsletters and social media outreach to strengthen customer engagement.
6. Southern Water to share further information with the committee on the cost control for the proposed Oxfordshire reservoir project.
7. Southern Water to consider dedicated training centres to upskill the local workforce in green infrastructure and water management, recognising both the scale of Southern Water's upcoming investment programme and the opportunity to leave a lasting legacy of skills development in the region.
8. Southern Water to explore ways for greater collaboration with developers, local authorities and landowners to effectively implement sustainable drainage solutions.

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9. Southern Water to explore joint work with councils on public messaging around opting for permeable driveways.
 10. Southern Water to provide the Committee with updates on misconnections, enforcement actions, and potential policy recommendations.

Independent Customer Scrutiny Committee

15 August 2025

Full meeting minutes

Committee	Attendee	Apologies
Independent Chair	Dan MacDonald (DM)	
Independent member	Michael Turner (MT)	
Independent member	Jacqueline Cale (JC)	
Independent member	Jayesh Patel (JP)	
Independent member	Hazel Browne (HB)	
Southern Water	Attendee	Apologies
Chief Executive Officer	Lawrence Gosden (LG)	
Chief Customer Officer	Antonia Barton (AB)	
Head of Customer Strategy, Insight & Performance	Nick Eves (NE)	
Strategic Engagement Advisor & Committee Secretariat	Laura Scott (LS)	

No.	Minute
1	Welcome / Introductions
1.1	<ul style="list-style-type: none">Dan MacDonald (Independent Chair) chaired the meeting.DM opened the inaugural meeting, emphasising that the Committee is independent, not a “tick-box” exercise, and exists to ask difficult questions on behalf of customers, recognise good performance, and help drive a culture of transparency and continuous improvement.Members and Southern Water officers introduced themselves.
2	Apologies of absence
2.1	No apologies were received.
3	Declarations of interest
3.1	No declarations of interest were made.
4	Terms of Reference and Committee protocols

4.1	<ul style="list-style-type: none"> DM requested minimising acronyms where possible, noting members will ask for clarification when needed. Committee confirmed the ToR are comprehensive; ways of working will be refined iteratively as the Committee matures. The Chair reaffirmed commitments to impartial scrutiny, constructive challenge, and non political conduct.
5	Introduction: Committee Sponsor
5.1	<ul style="list-style-type: none"> Antonia Barton, Chief Customer Officer, Southern Water welcomed members and explained her role championing customer-centricity across customer service, experience, strategy and transformation, communications, and insight. She highlighted industry complexity, a commitment to listening to customers, and invited no-limits challenge and collaboration to improve affordability, reliability, and environmental outcomes.
6	Holding to Account: CEO of Southern Water
6.1	<p>Lawrence Gosden, Chief Executive Officer, Southern Water provided an overview of company performance, priorities, and vision. Including a detailed overview of the company's ethical reset, financial restructuring, and operational turnaround. Key points:</p> <ul style="list-style-type: none"> Acknowledged historic failures and around £800m in penalties; trust with customers has been badly damaged. Company has undergone a major ethics and transparency reset, with annual training for all 3,000 staff. Secured substantial shareholder investment (over £2.8bn) to stabilise finances and fund improvements — not paid by customers. Delivered a significant operational turnaround, including large reductions in pollution and improved drinking water quality. Highlighted persistent challenges such as wet wipes and FOG blockages; called for a government ban on plastic wet wipes. Stated that the next stage involves redesigning infrastructure to address climate change, water scarcity and environmental standards. Emphasised the need for collaboration with customers, communities, regulators and government, and welcomed the Committee's role in transparent scrutiny.
6.2	<p>Q&A</p> <p>Question 1:</p> <ul style="list-style-type: none"> The committee asked why wet wipes are still causing so many blockages, and why hasn't the government banned them? <p>Response summary</p> <ul style="list-style-type: none"> Lawrence said it makes no sense that wet wipes remain unregulated given the damage they cause — forming “concrete-like” blockages, causing flooding, pollution, and releasing microplastics. Successive governments have promised a ban but not delivered. Only one standard exists for truly flushable wipes; most labelled “flushable” are not dissolvable and still cause blockages. He called for a formal government ban. <p>Question 2:</p>

- The Chair and members queried executive pay during a period of rising bills.

Response summary:

- LG clarified:
- He did not receive a short-term bonus last year due to a Category 1 pollution (in line with government prohibition).
- He did receive a long-term incentive linked to the multi-year turnaround programme; this is shareholder-funded, not paid from bills.
- The remuneration framework is weighted to operational outcomes (e.g., pollution/leakage/environmental performance) and supports attracting/retaining capability to deliver the plan.
- No dividends have been paid since 2017; any resumption would be post-2030 and performance-dependent.

- Members noted public confusion between “bonus” and long-term incentives and encouraged clearer public explanation. LG described efforts to correct inaccurate reporting and the pivot to direct customer communications.

Questions 3:

- The committee asked that with such a large future investment plan, how confident is LG that Southern Water can deliver it without overstretching.

Response summary:

- LG expressed high confidence, explaining that the company has:
 - grown its capital delivery capability from £400m to almost £1bn in recent years,
 - secured a much larger supply chain,
 - strong shareholder commitment with £1.2bn equity supporting long-term programmes.
 - He noted that UK construction processes and planning consent remain challenging, but the organisation is prepared.

Question 4:

- The committee asked whether staff morale and recruitment are suffering due to reputational pressure.

Response summary:

- LG confirmed that recruitment is strong, people join because they want to make a positive difference, and frontline staff remain highly motivated.
- Public engagement events boost morale because customers appreciate speaking directly with staff.
- He acknowledged the abuse staff sometimes face and takes this seriously.

Question 5:

- The committee asked whether Southern Water’s debt is sustainable.

Response summary:

- LG confirmed it is due to the new £1.2bn shareholder equity injection. Without it, relying on debt alone would not be sustainable.

- Special administration would protect customers if any company failed, but he is confident Southern Water will remain financially secure.

Question 6:

- The committee asked what excites LG for the next six months, and what are the main risks.

Response summary:

- LG is most excited about sustainable storm overflow solutions — removing rainwater from sewers using SuDS, water-butts and nature-based systems rather than endless concrete tanks.
- Key risk: skills shortages across UK infrastructure — but he sees this as an opportunity to create skills hubs and train local young people.

Question 7:

- The committee questioned whether emergency roadworks are justified, or are they being used to bypass processes.

Response summary:

- He stressed genuine emergencies (e.g. collapsed sewers, significant leaks) require immediate action. Many leaks are underground, unseen by the public, but must be fixed quickly to protect water supplies — which has helped achieve a 23% leakage reduction in one year.
- He agreed communication with residents and businesses must improve and innovation (like trenchless repairs) will help reduce disruption.

Question 8:

- The committee asked how engaged developers and partners are in delivering sustainable drainage.

Response summary:

- LG confirmed that most local authorities are supportive, and many developers want to collaborate, but government-mandated standards for SuDS and water-efficient homes would significantly accelerate progress.
- He supports creating national standards for permeable driveways and stronger building-control oversight to prevent misconnections.

Question 9:

- The committee asked whether recycled wastewater is safe to drink.

Response summary:

- LG confirmed that recycled water undergoes three treatment stages, therefore becoming so pure it must be re-mineralised, then blends with natural sources before standard drinking-water treatment.
- He stated tap water in the UK is among the best in the world.

Question 10:

- The committee asked what influence Southern Water has over housing development pressures.

Response summary:

- LG confirmed that Southern Water contributes to long-term local plans by modelling water resource availability. However, it is not a statutory consultee for planning applications, though many councils involve the company voluntarily.
- He supports greater national alignment and mandatory standards to ensure new development is sustainable.

Question 11:

- The committee asked what the long-term outlook for Southern Water’s performance is and whether LG thinks it can climb the league tables.

Response summary:

- LG clarified he is “*not interested in average.*” The goal is to be best in industry, but fully achieving this requires 5–10 years because it involves fundamental renewal of outdated infrastructure.
- Significant improvements have already been made in flooding, leakage and drinking water quality.

Question 12:

- The committee asked whether bathing waters are safe, and would he personally swim in them.

Response summary:

- LG confirmed he would “swim anywhere in the region”, emphasising the progress from decades ago when untreated sewage entered the sea daily.

Actions agreed:

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7	Committee work programme
7.1	<ul style="list-style-type: none"> DM confirmed future work-plan priorities likely to include leakage, pollution, vulnerability/affordability, and customer engagement. LG granted the Committee full access to engage across the organisation (from Board to frontline). Public contact — An email channel and new website for the Committee will be launched to capture customer input (not a replacement for formal complaints routes). <p>Action points:</p> <ul style="list-style-type: none"> Laura Scott, secretariat to support the setup of email and website channels for the public.
8	AOB/Close
8.1	<ul style="list-style-type: none"> No AOB. DM thanked all attendees for their openness and constructive engagement.
9	Next meeting
9.1	<ul style="list-style-type: none"> Next meeting will be held on the 24th November and focus on Customer Service.