Summary report

Autumn Accountability Session with Southern Water

As part of CCW's Water Voice programme, Accountability Sessions allow community members to challenge water company performance, question senior representatives and agree actions to enhance customer experiences and drive meaningful improvements.

Accountability Session | Tuesday 20th October 2026

Report published: Thursday 29th October

Community members questioned Southern Water's senior representatives about financial transparency, rising bills and poor customer service. Personal experiences highlighted unclear answers, missed callbacks, lost records and problems that required repeated chasing.

The Action Plan Review challenged the delayed response on company profit and sought clearer explanations of spending, losses and executive pay. The Performance Review asked what customers would notice within six months, alongside longer-term changes to customer service systems.

The Q&A section covered ownership and public accountability, financial support for households outside eligibility criteria, and urgent investment priorities.

The following pages summarise the discussion, company responses and community requests.

Action Plan Review
Q1: Company profit and transparency (Action 15)[1]

Members wanted the delayed financial response and clearer links between bills, investment and service improvements.

Southern Water promised detailed spending information and a plain-English response. As of 23rd October, Action 15 is delivered; members also sought accessible formats and stronger oversight of outstanding actions.

Performance Review
Q2: Give clear answers and resolve problems

Members wanted better staff training, reliable follow-up and issues resolved without repeat chasing.

Southern Water promised clearer answers from its customer service team to common customer queries within six months and longer-term system changes. Members requested better case tracking, measurable leak-repair targets and visible progress.

Q&A
Q3: Ownership

Members asked if ownership changes or government intervention could improve performance.

Southern Water's CEO favoured private investment with stronger regional accountability, without making a new governance commitment.

Q&A
Q4: Support for households outside eligibility rules

Members wanted individual circumstances recognised when households struggle but do not qualify for support.

Southern Water described work to model more gradual reductions in assistance above its income threshold.

Q&A
Q5: Low C-MeX and getting customers' problems resolved

Members asked about urgent priorities within 12 months. Southern Water highlighted financial resilience, operational performance and customer service.

Most targets were longer term, leaving the wider 12-month improvements unclear.

What is the purpose of this report and what happens next?

This report summarises the key discussions and actions raised by Water Voice community members during the Southern Water Accountability Session held on 20th October 2026.The actions outlined reflect the improvements community members would like Southern Water to make.

These are community-led requests and do not represent confirmed commitments from the company at this stage. Southern Water will create a formal action plan by Friday 27th November 2026, setting out its response to each action, what it intends to deliver and the proposed timescales.

CCW will then monitor progress against the company's commitments and provide monthly updates, allowing community members to see what has changed and continue to hold the company to account.

[1] Southern Water, Action 15: *Ask the CEO about company profit at the Independent Customer Scrutiny Committee and share the response with the CCW Panel.*

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Action Plan Review

Strengthening Southern Water's existing actions

Q1. By what date will you deliver the full answer promised under Action 15 [2] and what additional commitments will you make to demonstrate that customers' money is spent fairly and accounted for?

Context from the session:

The delay in delivering Action 15 had weakened members' confidence in financial transparency and internal accountability. The CEO apologised and said he was unaware of the delay. Southern Water explained that financial and remuneration information was already published, and that the outstanding committee discussion had taken place with its Chief Financial Officer.

Members wanted understandable answers, rather than references to an annual report or a lengthy recording. Some found the explanation of executive bonuses helpful but wanted to see the written response before judging whether their concerns had been addressed.

Existing activity context:

The Chair confirmed during the session that the committee recording for Action 15 had become available online. The written report was published on 21st October and Action 15 was fully delivered by 22nd October.

Southern Water also described existing annual reporting and remuneration disclosures. The CEO clarified that no bonus had been paid to them in three of the previous four years; the payment in the remaining year was a long-term incentive linked to turnaround goals.

New actions requested by community members:

1A. **Improve internal communication and strengthen CEO oversight of customer actions**

As the CEO was unaware of Action 15's progress, members wanted to see clear two-way communication from Southern Water: a CEO that actively seeks updates about actions progress and staff members to proactively keep him informed.

They called for:

- monthly CEO oversight of the Action Plan and early follow-up on delays, using existing progress trackers.
- additional training was also suggested to improve team communication.

Southern Water committed to investigating why the delay for Action 15 occurred.

1B. **Show how bill money funds investment and service improvements**

Members asked for a clear breakdown distinguishing new investment, financing costs and day-to-day operating costs. They wanted spending linked to community-raised service issues and existing actions, so they could understand what higher bills were delivering.

Southern Water committed to providing a more detailed breakdown the following day on storm overflow reduction, new water supplies, nutrient removal, including the share of bills spent on financing.

Actions requested continued overleaf...

[2] Southern Water, Action 15: *Ask the CEO about company profit at the Independent Customer Scrutiny Committee and share the response with the CCW Panel.*

Action Plan Review

Strengthening Southern Water's existing actions

Q1. By what date will you deliver the full answer promised under Action 15 [3] and what additional commitments will you make to demonstrate that customers' money is spent fairly and accounted for?

New actions requested by community members:

1C. **Explain the causes of the reported financial loss**

Members supported a plain-English explanation of how borrowing costs, daily operations and accounting adjustments contributed to the reported financial losses.

Southern Water agreed to consolidate its financial explanation into a clearer response.

1D. **Provide alternative accessible formats for existing Action 15**

Members requested a concise, plain-English response in online and offline formats, with clear website signposting. Paper and audio formats were discussed, and email distribution was proposed.

The response should also explain unfamiliar terms, including what "shareholder funded" means for executive remuneration. Southern Water agreed to explain this in a succinct written response, saying the company would try to complete it the following day.

[3] **Southern Water, Action 15:** *Ask the CEO about company profit at the Independent Customer Scrutiny Committee and share the response with the CCW Panel.*

Performance Review

Challenging Southern Water's performance and service delivery

Q2. What noticeable improvements will you commit to delivering in the next six months so customers get clear answers, promises are kept and problems are actually resolved?

Context from the session:

Members described unexplained bill increases, missed callbacks, missing payment records and a delayed leak repair that caused property damage. Southern Water apologised and cited fragmented systems. **Members wanted training, record-keeping and follow-up improved within six months.** Southern Water promised clearer bill explanations within that period, while major systems changes would take longer.

Existing activity context:

Southern Water described existing staff training and an approved £20 million investment in systems and case management over approximately 18 months.. This included a new end-to-end system for water and wastewater, a new case management and bill system and a new aspiration leak-repair target. Whilst customers recognised that system overhauls will be longer-term changes, they expected **customer service improvements to be delivered within 6 months, and system overhaul improvements to be clearly trackable.**

Southern Water offered to investigate the community member's individual customer service and water-quality incidents, subject to receiving account details. Resolution was not confirmed.

New actions requested by community members:

2A. Equip staff to give clear answers and resolve problems

Members wanted better staff training and oversight to ensure customers are provided clear, reassuring explanations to common customer concerns, including rising bills and water quality test results. Customers also need an outline of the company's next steps before the calls end.

They requested:

- accurate records, consistent reference numbers, reliable callbacks and proactive updates.
- missed follow-ups to be explained and escalated, with case owners for complex problems and urgent attention to property damage.

Members sought practical improvements within six months. Southern Water described existing training but did not agree a complete six-month programme.

2B. Make reporting and tracking problems more accessible

Members proposed a portal or app to report concerns, track progress and retain interaction records, reducing uncertainty and repeated explanations.

Southern Water made no specific commitment. Its Action Plan should explain how existing or planned facilities will address this need.

Actions requested continued overleaf...

Performance Review

Challenging Southern Water's performance and service delivery

Q2. What noticeable improvements will you commit to delivering in the next six months so customers get clear answers, promises are kept and problems are actually resolved?

New actions requested by community members:

2C. Make the five-day leak-repair aspiration measurable

Members wanted a defined proportion of visible leaks repaired within five days, with clear consequences for missed targets, potentially including bill reductions.

Southern Water accepted that a percentage target could be set but gave no figure, citing supply, water-quality and road-access constraints. No penalties or compensation were agreed.

2D. Create a company performance dashboard

Members sought a dashboard showing the starting position, targets and monthly progress on clear answers, kept promises and problem resolution.

Southern Water agreed to demonstrate and benchmark improvement, but the format, measures and frequency remained unconfirmed.

Reporting should show changes in service experience alongside completed training and systems work.

Q&A

Actions that our community would like Southern Water to commit to

Q3. How do you see the future of Southern Water, including the possibility of greater government intervention or public ownership?

Context from the session

Members questioned whether a different ownership or governance model could improve company performance and accountability. Southern Water argued that the sector's investment needs would require private finance and favoured stronger public accountability alongside it. The CEO described a possible regional approach involving mayors, local authorities and community representatives.

This was the CEO's view of the sector's future, rather than an announced change to Southern Water's governance.

Customer-requested actions

No follow-up questions or additional customer actions were proposed.

Q&A

Actions that our community would like Southern Water to commit to

Q4. Can support be considered case by case for customers who are struggling but do not meet the current eligibility criteria? And if not, what else will you commit to?

Context from the session

Members wanted Southern Water to **recognise that households can struggle even when their income or circumstances place them outside current eligibility rules.**

Southern Water acknowledged the sharp loss of support at the income threshold and described work to review the affordability strategy. Southern Water explained that the company was modelling a taper, so support would reduce more gradually above the threshold.

One member welcomed the review but stressed that households receiving non-means-tested benefits could still face financial difficulty. The company acknowledged this concern but did not confirm a change to eligibility.

Existing activity context:

Southern Water explained that eligible households earning below £22,000 could receive up to 45% off their bills through the Essential Tariff. Southern Water was looking at reducing support gradually above this income level, rather than stopping it altogether. The £22,500 income mentioned by Southern Water was an example, not a new eligibility threshold.

Further modelling and work to gain customer and regulatory support were described; no changes or start date were confirmed.

New actions requested by community members:

Members asked whether Southern Water could look at individual circumstances when households struggle but do not qualify for support or offer other help. This was not clearly answered, and members did not suggest any further actions.

Q&A

Actions that our community would like Southern Water to commit to

Q5. What are your most urgent priorities, and what improvements will you commit to delivering for customers over the next 12 months?

Context from the session:

Members wanted reassurance that Southern Water was addressing the most urgent problems and could identify improvements for the coming year. Addressing customer service was a particular focus. Southern Water's CEO identified financial resilience, operational performance and customer service/reputation as his three overarching priorities.

Southern Water's COO described existing leakage, pollution, bathing-water and water-resource programmes. These explained the company's direction, but most targets covered longer than 12 months. The Southampton Link Main was the clearest project identified for delivery over the next year/

Existing activity context:

Southern Water described:

- A commitment to halve leakage between **2020 and 2050**, with a **20% reduction targeted for 2025–30**.
- An aim to reduce pollution incidents by **more than 30% over the next five years**.
- **£1.5 billion** of planned Cleaner Rivers and Seas spending over the next **10 years**.
- Delivery of the **Southampton Link Main over the next year**, connecting East and West Hampshire.

Southern Water also referred to £9 billion of capital investment, without specifying its delivery period.

New actions requested by community members:

No new actions were proposed in the follow-up discussion. Customer-service requests and associated reporting are captured under Question 2 and should not be duplicated here.

Attendance list

Lawrence Gosden	CEO of Southern Water
Tim McMahon	Chief Financial Officer (CFO) of Southern Wate
Samantha Hare	Senior Insight Manager of Taylor McKenzie Research – Lead facilitator
Rob Wilson	Chairman for Consumer Council for Water (CCW) – Meeting Chair
12x Community Members	Water Voice Community Members under Southern Water

Session transcript

CCW Chair: Good evening, everyone and thank you very much for joining us this evening. Just to remind you, my name is Rob Wilson, and I'll be chairing tonight's discussion. I'm the chairman of the Consumer Council for Water. Tonight's session is part of our Water Voice programme and the purpose of Water Voice is simple but really quite important, to give customers a stronger, more direct voice in how their company, in this case, Southern Water, performs, communicates and improves.

This session is about accountability, it's an opportunity for you, as community members, to directly question senior leaders from Southern Water about the issues that matter most, what needs to improve and what will change as a result of this discussion that we have this evening. But this is not a complaints hearing, and it's not a technical inquiry, it's a structured, customer led conversation, focused on accountability, and about learning and agreeing clear practical actions.

The topics we will cover tonight have not been chosen by the company. They have been shaped by community members through the pre-task work briefing session, Spotlight research and wider Water Voice discussions, so this is your agenda and totally, 100% your agenda.

I want to set a clear tone at the outset. We expect this to be a respectful, but challenging discussion, community members should feel able to speak openly and honestly about their experiences and expectations. Equally, we expect clear and transparent responses from the Southern Water senior team.

When you're not speaking, please keep your microphone muted to avoid any background noise and playback for other people. The session is being fully transcribed, and the agreed outcomes will be published. Southern Water will be expected to publish an action plan responding to the commitments made. That transparency is a key part of what makes this process meaningful and I daresay we'll have quite a discussion about that later on this evening.

In terms of ground rules, we will take one person at a time, keep contributions focused and concentrate on forward looking actions, what will change, by when and how customers will know they've changed.

So now I'd like to briefly introduce those joining us this evening. First, our independent facilitator from Taylor McKenzie Research, Sam Hare, who you all know already, who will guide the customer discussion and ensure all voices are heard. And representing Southern Water this evening, I can't see them, are they here?

Lawrence Gosden: Certainly am, Rob, can you hear us? You've got Lawrence and you've got Tim McMahon.

CCW Chair: So, we've got Lawrence, the Chief Executive Officer and the CFO, Tim McMahon, so thank you very much for being here tonight and I'll hand over to Sam to

explain the session, and how it will run. Sam, over to you.

TMcK Facilitator: Lovely, thank you so much, Rob and thank you everybody for joining us this evening. Before we begin, I want to just briefly go over again how names and the transcript will be handled. In the room this evening, we're going to be using first names only and when it comes to the published transcript and the report itself, customer names will be fully anonymised, so you'll yourself as "Community Member 1, 2, 3" and so on.

After the session, community members will have the opportunity to flag anything personal that they would prefer to be removed, or further anonymised before publication. So, for example, if you start sharing the street that you live on or something like that, and later want to redact that, that's absolutely fine - we will definitely do that before it's published. The purpose of this transcript is to accurately reflect the discussion and the agreed actions for this evening, not to single out any one individual.

There are three main parts to tonight's session. First, we will be reviewing parts of the existing action plan and challenge Southern Water on the action or actions that the community agreed needed to be strengthened. Second, we will ask one new performance challenge question which was developed from an issue raised by community members when going through some prioritisation of issues during the briefing session. The third section, we will move into a shorter Q&A, so community members will ask additional questions that have been discussed and then prioritised during the briefing session.

For each of the first two questions, we will use the same accountability cycle, so a community member will ask the agreed question, Southern Water will have seven minutes to respond. Community members will react to that response and identify what is clear, what is missing and what still needs to be strengthened. We will also create a live document in the background, which will capture specific actions and outcomes that both the team at Southern Water, and you as community members, have brought up during the session.

I will then share that live document which captures these actions and Southern Water will then have a short opportunity to explain if any of the actions are not feasible and give their reasons why.

During the Q&A section, we will use a lighter version of this process, a nominated community member will ask the question, the company will respond, the question asker and wider community can then ask some follow-up questions, and any additional commitments or actions that are discussed during the Q&A will also be put onto a live document, which will be shared and again, Southern Water have the opportunity to say if any of these actions are not feasible and give their reasons why.

Before we get started, it would be great if we could introduce all of our community members for this evening.

Session transcript

I'll just go round the room, if you could say your name and the area that you live in, that would be amazing and I've just written your name down in no particular order, so I'll come to you first, Community Member 1, if that's okay?

Community Member 1: Yeah, sure, Community Member 1 from Brighton here.

Community Member 2: Hi, my name's Community Member 2, I'm from Brighton.

Community Member 3: Hi, I'm Community Member 3 and I live in Margate.

Community Member 4: Hi, I'm Community Member 4 and I'm from Southampton.

Community Member 5: Good evening, my name's Community Member 5 and I live in Sheerness-on-Sea.

Community Member 6: Hi, I'm Community Member 6 and I live in Warsash, near the River Hamble.

Community Member 7: Hi guys, I'm Community Member 7 and I live in Hastings.

Community Member 8: Hi, I'm Community Member 8 and I'm in Hastings as well.

Community Member 9: Hi, I'm Community Member 9 and I live in Worthing, West Sussex.

Community Member 10: That's me, Community Member 10, I live in Lancing, between Worthing and Brighton.

Community Member 11: Hi, I'm Community Member 11, I'm from Southampton.

TMcK Facilitator: Lovely, thank you so much. Thank you for your introductions, everybody, I just want to go through something before we start the first question, which is our action plan review question. First question, a quick reminder about what Action 15 was, which was to ask the CEO about company profit at the independent scrutiny committee and share the response with you, Water Voice Panel.

CCW received an update today confirming that the question was raised at Southern Water's scrutiny committee and the Chief Financial Officer at the committee meeting answered or spoke about it on 16th October. Southern Water now considers the action as delivered and said that the information would be available on the web page this afternoon.

However, as of 5pm today, it's not yet available, so CCW has not agreed that the action has been delivered, it therefore still remains as delayed or in progress. So, we're going to keep the first question about the action plan review, as agreed, so it will remain the exact

same and tonight is your opportunity, as community members, to hear and challenge Southern Water's account of that discussion.

So, listen to what was discussed during the committee meeting, and you've got the opportunity to help develop further actions to strengthen what has been delivered under Action 15, and also address your wider concerns that were brought up during the briefing session.

Okay, Rob, I'll hand over to you then, to invite our first question asker to speak.

CCW Chair: As Sam says, we'll begin our first question despite what's gone on earlier on today and this looks back at the commitments that Southern Water have made in their action plan. During the briefing session, community members asked that Southern Water's profit transparency, executive pay and accountability for how customers' money is spent needed further scrutiny.

So, I'm now going to invite Community Member 8 to ask the agreed question, which Sam, I hope you'll put up on screen for everybody to see.

Community Member 8: Good evening, everybody. I was a bit worried there when Sam mentioned what she did, I thought it was going to be, the question's been answered and withdrawn but because it hasn't gone up on the website, I guess I've still got my chance to ask.

Action 15 promised us an answer about company profit, but the question was not raised as planned as your committee meeting in August. This delay leaves us questioning how transparent Southern Water is being about its finances. At our briefing, we heard about a reported net loss and questioned the CEO's substantial pay package. We struggle to understand how such high pay is justified, given the company's financial position and the pressures on customers. In order to trust Southern Water, we need more than an explanation of the figures, we need evidence that our money is being spent fairly and that senior leaders face consequences when promised improvements are not delivered.

Our question is: by what date will you deliver the full answer promised under Action 15, and the second part, what additional commitments will you make to demonstrate that customers' money is spent fairly and accounted for? Thank you.

CCW Chair: Thank you, Community Member 8. In responding to that, it would be really helpful if Southern Water could be as specific as possible, ensuring the response is to the point and free from any jargon and perhaps, you can explain why it's been such a problem for this answer to be given clearly to members of the community. It would really be excellent if you could say why it's been such a problem for you to get this answer out there.

Session transcript

Can I just add that community members, please listen carefully to the answer and make a note of anything that feels unclear, incomplete or not strong enough when they answer. You've got seven minutes, the clock will start ticking but you don't have to use those seven minutes. Over to you, Lawrence.

Lawrence Gosden: Firstly, I'm really frustrated and I'm really sorry, there is no reason in the world why that shouldn't have been done previously, I'll have to check out with the team tomorrow why it's not on the website and why it wasn't dealt with in that kind of way.

CCW Chair: But Lawrence, why has it taken months to get to this?

Lawrence Gosden: Let me answer the question, I'm about to answer the question.

CCW Chair: I'm trying to get you to answer the question.

Lawrence Gosden: I've said six words and if you can let me finish, I'll answer the question. So there is no reason at all – at all – for this to be delayed. I don't actually know why it's been two months' delayed, I've not known that two months' delay, if I'd known that, I would have jumped on that straightaway, I can promise you.

All of the answers to the question and I'm going to answer the question now quickly, so you've got it anyway - all of the answers about either pay or profits is all published fully on our website anyway as part of our annual report. It's completely searchable on ChatGPT or on Google, you can find out all of that information, it's on the website and it is published every year. So, all that information is already there, so I think we may have tied ourselves in knots a bit on this when the information was already there; it is part of our transparent annual report.

The short answer on pay is, so I'm paid a basic pay package and then I'm paid an incentive on performance on top. Because the company, this is not a business-as-usual job, this is a company that has needed turning around, it was in an extremely poor position and my job has been to assemble a team to get that company turned around and back on track, and we've made some good progress in doing that but we're not finished yet by any stretch.

But my pay, because the company is not yet at the performance standard that we need it to get to, is therefore I don't get any bonus, so I've not had, out of the nearly five years now I've been at this turnaround, for four of those five years, I'm on zero bonus. So, it is directly related to not just the effort going into turning the company around, it's directly related to the actual performance of the company, hopefully that makes sense.

But your specific answer is you want a clear date, I can promise you by hook or by crook, tomorrow you will have that answer, and it will be published to you tomorrow.

Session transcript

Tim McMahon: And if I could build, Lawrence, again apologies that hasn't been uploaded. As we committed to in the action, we'll send out through the website, our, the clarity of that question and also our annual returns, give that information but we also asked the Customer Scrutiny Committee to ask that question to Lawrence to answer it because that's a live recording that we publish on our website. That's obviously an independent chair that does that, they chose not to ask that question to Lawrence in the August meeting, but we did have a special session on Friday with our CFO to get into the next level of detail, again to make that very visible.

That's the bit that's taking the time, just to upload onto the website and so we're hoping it will be done today but it's a very, very big recording, it's a three-hour recording, so we'll make sure we do that. So that's the sort of extra activity, when it's put into place, with that independent scrutiny, to answer that question and get into a level of detail and make that recording visible to our customers.

Lawrence Gosden: I think that takes us to the end, Rob.

CCW Chair: Okay, that was short and sweet. So just to be clear, Lawrence, so you didn't get a bonus and I'm asking this just so that it's clear for the customers, but did you get a loyalty bonus?

Lawrence Gosden: No, and it's all in the public record, you can go onto the website and you can see that. In three years out of the four and I'm not anticipating a bonus for the coming year, so that will take it to four years out of five, it's been zero bonus with no, I think it's like a retention bonus I think is what you're referring to?

CCW Chair: Yes.

Lawrence Gosden: Yeah, none of that at all, none of that at all.

CCW Chair: So there's no long-term incentive structure for you either?

Lawrence Gosden: That was the, so all of that gets dealt with as part of, so the long term incentive was the only bonus paid in that one year. So three years out of the four, just repeating myself to be super clear, three years out of the four and the coming fifth one, I'm anticipating to be zero bonus, zero long term incentive and the one year that I did get paid a bonus was related to a long term incentive plan that was about the delivery of goals in the turnaround, and that was about Year 2, if I remember, Year 2 or 3. Does that make sense?

CCW Chair: And you say that that's all published?

Lawrence Gosden: That's right, yeah, it's part of our remuneration report on our website, with our annual report.

Session transcript

CCW Chair: So, we've heard that, I know a flurry of hands have gone up but this isn't a question-and-answer session with Tim and Lawrence yet, that is at the end. Just to say thank you for the response, we're going to pause and turn back to the community members now and this is about testing whether what they've just heard fully answers the concerns behind the question.

Sam, I'm going to go back to you, and you can start the discussion.

TMcK Facilitator: Thank you, Rob and thanks for your response, Lawrence and Tim. We'll start with Community Member 8, you've already got your hand up so perfectly timed, you asked the question, thank you for asking it. Did it cover what you wanted, during the briefing session, wanted to be explained a bit more about the financial position and how senior pay is justified and made up and things like that, did that answer your question?

Community Member 8: Yes and no, I wanted to just double check on something, Lawrence, apologies if I misunderstood something but you said you believe you should have known about the two months' delay. Is there any reason why you didn't know about it and if so, was it meant to be one person that should have got back to you? Or was it a number of people that failed to do so?

TMcK Facilitator: We're not going back to you at the moment, why don't we try and build that into an action then? They've admitted that they were unaware that there's been such a delay, what can we do to have that tracking in place? What could we put forward, Community Member 8?

Community Member 8: Well, I would have expected obviously, whoever's position it is to have got this sorted by now to have done so and obviously, if they couldn't have done so, surely their CEO should have known about this? It's not Lawrence's fault, I guess, if he's got staff around him that should be bringing this to his attention and it wasn't, for whatever reason, but surely there's some kind of like, you know, we've talked a lot in our session about communication and lack of communication. It sounds like possibly, without jumping the gun, that may have happened in this situation.

TMcK Facilitator: Definitely, so I guess it's coming down to not really fully tracking progress. What action can we put forward to Southern Water to sort of make sure that doesn't happen with the rest of the actions on the action plan?

CCW Chair: Something you could think about is should the CEO be getting a report every month at least on how actions are progressing on the action list because obviously, for one reason or another, Lawrence hasn't had the opportunity to track the progress but really, that's quite important to customers, that the CEO is seeing what's going on and making the appropriate actions stick?

TMcK Facilitator: What are your thoughts on that, Community Member 8?

Session transcript

Community Member 8: I agree with what Rob said, there should be some kind of tracking of progress because that's the whole point. Obviously, without wanting to criticise Lawrence personally, surely if you're the CEO, you should be wanting to know these areas where there have been delays, for whatever reason, if there was a delay after a month and you were being told that it was going to be, let's say, within five weeks, you've only got a week to go so as a CEO, you would expect someone to say to their team, "What's been done? We've only got a week to the deadline, when we need to action this by."

TMcK Facilitator: So, is it a case of the CEO then asking what the progress is rather than waiting to be told?

Community Member 8: Possibly, it depends, hopefully in any company, you'd think in an ideal situation, if you were the CEO, you'd expect your team to be, if you've got a team around you, not just one person, you'd expect somebody in that team to be updating you, not just one of the team but at least two or three of the team, depending on how big the team is and if they're not, why aren't they doing their job?

But also equally, you'd expect maybe, possibly, arguably you could say a CEO, okay, they've got loads of things to deal with, especially in something like Southern Water but you would expect them to be actively, you know, because I know I'm being monitored and I've got all things flying at me, I want to be on top of all these things maybe where there could be problems, like this, for example.

Because it wasn't like you had one or two days of action, I mean it's great to hear Lawrence saying about, you know, "I can get it on the website, I'll get an answer for you by tomorrow," but you know, if it can be done that quickly, it just makes you wonder about the team below Lawrence, possibly. I'm not saying it is their fault, who knows? But why wasn't it done before if we can just get an answer now, suddenly by tomorrow?

TMcK Facilitator: Thank you, that's really useful. Community Member 3, you had your hand-up and then I think you put it down, are you wanting to ask, say something?

Community Member 3: No, I think my question was asked, thank you.

TMcK Facilitator: Community Member 9, over to you then.

Community Member 9: It's not a question as such, but it's just obviously, going on the point that was said just before, that Community Member 8 said about that for whatever reason, Lawrence didn't know that obviously this hadn't been actioned, this hadn't been done, and we've talked a lot about within this panel over the year about poor communication, right? So to me, this suggests and I just say "suggests", I'm not saying this is absolutely the case, to me that suggests that there are clearly issues not just with Southern Water communicating with its customers, but Southern Water communicating to its own staff and to me, that's obviously, because Lawrence is quite important in terms

of position and stuff, that there perhaps needs to be, that also needs to be looked at in terms of why is the communication poor?

And then looking again at things like training, again, things like away days, again, I appreciate this is not – but that's kind of what it made me think about because communication is so key, like if you're not able to communicate within your staff, how can you expect them to communicate to us?

TMcK Facilitator: That's a valid point and as you know, we will be talking about customer communication and their C-MeX score and everything like that in the next question, but thinking about what you're saying in-house or within the company, what actions can be put forward then? What would you suggest that they do?

Community Member 9: I don't know, I guess to me it just seems a bit like that there's staff within the company, like they obviously don't communicate, they don't feel valued, I don't know because otherwise, again I'm going to go with nursing because that's what I know, communication is so key, in order to be able to work as a team, you actually have to work together with the same goal and to me, it just seems like that that is not happening here and that is also a problem.

TMcK Facilitator: Okay, Community Member 9, thank you. We've got some actions recorded about what they could be doing to make sure that progress is tracked in-house or within the company, to make sure that everyone is aware of the progress and to chase the relevant teams where necessary.

But going back to the question about Action 15 and additional commitments that you want them to do to demonstrate that your money's being spent fairly and accounted for, have they answered that question? Is there anything that you would want to see or hear from them or know that they're doing, building into this action plan?

Community Member 6: For me, I think as long as we can see on the website in the next 24/48 hours, that it is actually up and clear then at least that part of the question has been answered. I also agree with Community Member 9, I think communication is very poor and that needs to be looked at, and that has to come from the top down.

TMcK Facilitator: Just on that point about it being up on the website, so you've gone on tomorrow and it's up, say, what are you wanting to see? What would the ideal situation look like?

Community Member 6: I want to see that the answers that we've asked for with regards to, I think Lawrence has actually answered to a big degree, with regards to the bonuses and everything else because people are getting quite hung up about that. I personally, that doesn't get to me as much but I think as long as we can see the information that we've requested as they have promised, because they didn't address it in August, I think as long as those questions have been answered and are there for the public to see, in part

that has answered a majority of the question, we just need to see how it goes moving forward.

TMcK Facilitator: Community Member 1, I want to bring you into this conversation, you mentioned accountability beyond CEO pay and you talked a little bit about who's accountable for the commitments if they're not delivered. Do you have anything to bring in? Did they answer about accountability when things aren't delivered or is there anything that could be built on here?

Community Member 1: First of all, I agree with what has been said about Lawrence not knowing that there's been a delay, that sounds like a big issue just internally that they have in Southern Water, and that has to be sorted out somehow. On the other hand, I also agree, we will have to wait and see what the report brings as well, for now I'm hearing that Lawrence is not getting a bonus so that's obviously good information that we are getting just in the call right now. But then regarding how customers' money is spent the best way possible, I'm not sure what we are getting in the report tomorrow, so we'll have to see that first.

TMcK Facilitator: What would you want to see in it?

Community Member 1: Charts, good information about how every penny is being spent, with the remuneration being part of it but again, I'm not overly interested in that, I just want to know exactly what's being invested back into the system, why are bills going up so much but then we are still seeing so many problems in the area, in general?

TMcK Facilitator: Thank you. Anyone else got anything to add about this section?

CCW Chair: I think there was a reference to the losses and I know we discussed that in preparing for this, Southern made an almost £100m loss in I think it's '24/25 and I think it would be great to understand, I think one of the people said in the pre-session that they'd really like to understand in plain English, how much of that reflects the cost of borrowing and how much relates to day-to-day operations, and how much reflects just accounting practices? It would be great if that could be understood in plain English for customers, I think. I think that was certainly a conversation we had previously, from memory.

TMcK Facilitator: Definitely, was it Community Member 8 that brought that up? Is there anything that you want to add there?

Community Member 8: No, but it had gone out of my head but I'm glad Rob mentioned it again. I think it would be good to know about that, so yeah.

TMcK Facilitator: What actions shall we build into the plan, based on that?

Community Member 8: Well, just to get an answer as soon as possible about you know, what we've been talking about because it's like we said in the pre-session before,

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there are a lot of questions where maybe we either don't get full answers, transparent answers or answers quickly enough, for something that they should be able to do.

TMcK Facilitator: Thank you, Community Member 8. Rob, were you going to say something?

CCW Chair: I was just going to say one of the answers was to go and listen to something on the website and as I understand it, that's probably a long meeting, probably several hours' long and is it really fair, having asked a direct question, to have to go and listen to a long recording on a website? When you know, the answer could easily be given, taken out and given in a digestible, plain English format, as part of the action plan. So, I'm just putting that out there as something that probably you as customers would want to see, something very easy to understand and not to have to wade through a very long recording.

TMcK Facilitator: Yes, absolutely, you've got agreement from Community Member 6, she just popped in the chat, "Totally agree, Rob." So that's a very valid point, I don't know how long the committee meeting is but a long video to watch and Community Member 9's saying that it needs to be accessible for all. What do you mean by that, Community Member 9, could you expand?

Community Member 9: Well, I just mean that for some people, you know, listening to something, it suits them but for other people, they prefer to see it in paper format, some people are okay with using a website, not everyone would necessarily be able to, so it's just thinking about different needs really.

TMcK Facilitator: So, I guess the commitment then could be to set it out in different formats so that it covers a lot of different individuals' needs?

Community Member 9: Yes.

TMcK Facilitator: What about identifying it on the website? Is there an action that would make it easier to find within the website?

Community Member 9: I think it would be good just so that people know where it is, like maybe in bigger font so they can find it easy if they want to.

TMcK Facilitator: What would the action be there?

Community Member 9: I don't know, something about signposting on the website of where that information is.

TMcK Facilitator: Lovely, thank you, Community Member 9. Community Member 11, you've put your hand up, I'll go to you and then I'll share what we've been discussing so far.

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Community Member 11: I was going to say maybe it should be an email out to Southern Water customers as well, it's all well and good putting it on the website, hiding it away potentially and you know, it's not something I personally would have gone and searched for until I was part of this community but actually, if I'd been emailed that, I would have been interested to take a look through it. So, emailing it out to customers so they can see it in front of them, in plain English, would be a really good reach-out.

TMcK Facilitator: That's a fantastic action, I can see the team typing up in the background. Does anyone else have anything they want to add before I share the actions on the screen?

CCW Chair: Before you do that, Sam, I think there was a comment about how the money was spent and I think the company has provided a breakdown of the percentages of how things are spent. I could be wrong on that, I might be mixing it up with another I've been looking at. But I'm not sure it talks much about some of the things that customers are interested in, for example, how much of the increase in bills is funding new investment? How much is meeting historic financing commitments? And how much is covering operational costs? I'm not sure whether that is clearly laid out. Obviously, we've got customers here, do you know whether that's the case or do you know the division between those things? Got lots of people nodding away. Perhaps when we come back to Lawrence, maybe he can pick that up.

TMcK Facilitator: Lovely, thank you, Rob. I'll share the actions on the screen now. Lovely, everyone can see that okay? Yes, some nods. Southern Water were asked a question about company profit and transparency in line with Action 15. What they're currently doing, they say pay and profit information is published in an annual report and on website online. CEO pay is based on basic pay package and a performance bonus, no CEO bonus or long-term incentive in four of the five last years, due to not achieving company performance targets and that includes no retention bonus. CEO pay is included in remuneration reports also on the website.

What they'll do in the future: In line with Action 15, which is currently in progress/delayed, they will fully deliver on Action 15, which will be published on the website tomorrow, with recording of the committee available online too.

We then went back to community members to see what the ideal water company response would look like and asked if there's any additional actions they would want to set out in the action plan, based on the discussion.

There are some actions in relation to poor awareness of current Action 15 progress, the fact that it was delayed, and for as many months as it has been. Southern Water are to improve internal communication, some mentions of training and staff away days suggested, only then can communication with customers could be improved. CEO to be informed of the monthly progress of actions, either informed by self-initiative or better internal communications within Southern Water team.

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They've put a note to note that the existing CCW and Taylor McKenzie action plan progress trackers, which show monthly action progress at a glance as well, so Lawrence, that's something that would be easily digested there.

Provide clear visualisation of monetary investment, clear breakdown how money is reinvested back into the service, for example, a bar chart. Provide plain English report of Southern Water's reported financial losses and provide alternative formats for Action 15, rather than – or as well as, sorry, a longer video. So accessible formats which use plain English needed for both offline and online communications, and give clear signposting on the website, for example, use clear font so it's easy to navigate and find and also send out in an email for those that aren't going to be looking for it on their website.

Okay, I'm going to now come back to the community members, now that you can see the actions displayed on the page here, is there anything missing or anything that you would like to expand on? Or anything to follow up on now that you can see them all there? Community Member 1, over to you.

Community Member 1: For Point 2, I think that's basically what we discussed and I agree with what Community Member 8 said, I think these things exist but all we have is really high level bar charts about how money is spent, but what I'm referring to is more that we don't have the details, we literally just know 45% spent on this at a very high level, but it doesn't map to the issues that we are facing, we have so many problems in service, so we need more details on those things, basically, rather than just a chart.

TMcK Facilitator: What would that detail look like? What's the ideal situation?

Community Member 1: Ideal situation, at least for myself, would be so based on the actions that we're seeing on the plan, basically how these monies are being spent in addressing these issues, as opposed to just a high level 45% spend on that area and that's it.

TMcK Facilitator: Okay, so more detail?

Community Member 1: Yeah.

TMcK Facilitator: Lovely, thank you so much. Anybody else want to expand or identify any gaps or anything like that?

Community Member 5: So, I just Googled it, and it doesn't make any sense, basically it says it's a fixed salary of £687,000 and a long term incentive plan of £691,000, benefits and pension of £111,000 and an annual bonus of nought. It also says that "Southern Water maintain that the £691,000 pay out was shareholder funded under a 23 Turnaround Plan, rather than a traditional executive bonus."

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I don't quite know what that means and apparently, it was heavily criticised by Steve Reed who was Environment Secretary at the time. So, will this information, when it comes out tomorrow, give us more clarity than that because clearly that's not really going to help us is it? I don't know what "shareholder funded" means and I think that will obviously be important to the vast majority of consumers and customers.

TMcK Facilitator: Yeah, absolutely, that's a really good point and I guess that comes back to the plain English, to make sure that everyone's understanding it, so it's important that you flag things that you're not understanding by looking at the website just now, so thank you so much, we'll build that in there. Anybody else want to jump in here before we hand back to Rob and Southern Water? Lovely, I'll take the silence as a "no", Rob, over to you.

CCW Chair: Thank you everyone but before we finalise any of those actions, it's important to go back to Lawrence and Tim, who have been listening carefully to everything that's been said and give them the opportunity to highlight any of the commitments they believe are not feasible or to explain clearly why they're not feasible, and to pick up any of the issues that were raised that they want to pick up because obviously, if there are constraints, whether they're regulatory, financial, operational or legal or other, that needs to be set out transparently and obviously will be recorded as part of the session.

I'm going to pass over to Tim and Lawrence and let you answer.

Lawrence Gosden: Thank you. I think we're getting quite confused. Looking back through our records just while you were talking, at the time of Question 15 being answered, we provided a full response at the time with references through into our annual report. The outstanding point that wasn't done, was putting those questions to our CFO, our Chief Finance Officer, in our scrutiny panel, that was the outstanding point.

So, I'm just wondering whether we've all got very confused and apologies if we're helping or not helping with that, but it's slightly the format of not being able to have a dialogue about it. But we have already answered, you already have everything plus references through to the various elements that are publicly available on our website, in the annual report.

What we, I think what we can do to try and clear this up is to try and assemble it in a more easily readable format, so rather than something too complicated and I'm certainly not going to be asking people to listen a two hour scrutiny panel, unless you really want to, which we'd love you to but appreciate you may not want to. But I think what we do is we'll try and pull it together tomorrow to be a succinct read-out that answers everything, and sort of brings it into one answer.

But just to be super clear, Rob, at the time, we did answer Question 15, it was to the scrutiny committee, that's the bit that got delayed and that's the bit that I wasn't aware about, so I don't know if we've just got twisted up there a bit.

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CCW Chair: Okay, I mean I haven't seen the full response you gave at the time and obviously, we've had a look at it and I'm guessing that if you've just referred things to the annual report, it's the same, annual reports are full of jargon, full of things that customers would never read and probably in some cases, wouldn't understand, it's again, the questions have been asked and really what we're looking for is answers in plain English rather than providing references and connections to other places. I think that's what we're looking for.

Lawrence Gosden: Yeah, got you and super happy to do that. So I think as I was saying, I think what we would do is we will try and, instead of providing – we sort of provided answers and then said, "Here's where the reference is for further detail," but I think we'll try and lift it all out and just put it into one, another response that tries to make it more plain English and more understandable – because it is full lots of difficult stuff, so like the shareholder funded point, it's just simply the fact that we took the decision that my pay would not be paid out of customer bills but we would pay it out of funds that Macquarie had provided, and you'll remember from previous scrutiny sessions that we have, Macquarie have put in about £2.8bn into the company. So, my pay comes out of what Macquarie have put into the company, not out of customers' bills and that's to make sure that every pound is going into infrastructure etc.

But we can set that out within the plain English version, I think that's the important point and I'm super happy to do that, we'll try and get that done tomorrow.

CCW Chair: Do you want to comment on any of the sort of how the money is spent side of things because obviously that was …?

Lawrence Gosden: Yes, more than happy to but I think in this response tomorrow, there's the really helpful pie chart that shows out where the money is broadly spent but I think what you're really after is more detail, so we can break that down into the actual investments in CSO reduction, new water supplies and nutrient removal, those really big capital investments, where they're paid for out of the bill, I think that's what you really want to know because that's a bit more of the detail. So, we'll do that tomorrow.

CCW Chair: I think there was something about understanding how much is spent on financing debt, that's one of the things that came up.

Lawrence Gosden: Yeah, of course. We will provide that within this pie chart, and you'll be able to see exactly how much goes on financing, how much of your bill goes on financing. The point I would just say, Rob and you know, please don't blame me for this, it's just how the system works, I didn't set up the regulatory system in water, I'm trying to work it so that we can deliver benefits for customers, but the system is designed effectively that customers' bills effectively pay off like a mortgage. So, you've got to build a new house and you've got to build an extension on it, all of the investments over the last 30 years are like building extensions on your house, and effectively the company gets a mortgage for those extensions and then the customer bill actually pays for the day-to-day running costs

of running the company, the power, the chemicals, the people, all those kind of things and it also pays off the mortgage over time, that's the way to look at it and understand it.

Now the reason why that's important is because if you put the actual cost of all the capital work which runs into billions and billions, directly into customers' bills, customers' bills would be, crikey, £10,000, £20,000, £30,000 a year. So, in order to reduce that effect on customers' bills, you effectively mortgage it over the long term and that's how you build so much infrastructure without having bills that are crazily high.

So, we'll try and set that out so that the bill makes sense when you look at how we invest it. Hopefully, that made sense as a summary.

CCW Chair: Yeah, I'm assuming that not all your debt is borrowing upfront of your mortgage but I could be wrong?

Lawrence Gosden: No, we're about 60, what are we at the moment? About 67% geared, so that means 67% of the sort of regulatory value of the company, which is pretty much all, the initial valuation of the company plus all the capital work you've delivered, so the full size of your house plus all of your extensions, the full value, we're about 67% of that is debt funded and the rest of it, so 33% is equity funded.

Now that equity is money that shareholders are putting into the company and that's at risk, that's always at risk and we haven't paid any dividend at all, now I think you're aware from previous sessions, no dividends have been paid since 2017 and I don't think we'll pay a dividend until post 2030. So that means that we're paying about, between about, it depends on the debt but between about 2% and 4% and 5%, on 60% but the rest of it, we're not paying any return to shareholders at all.

CCW Chair: I think the mortgage analogy is a very good one, some people over-extend on mortgages by taking on too much, so there's that analogy to be borne in mind as well, I'm sure that's not the case with Southern but it's worth just mentioning that as part of the analogy. But I want to move on because we -

Lawrence Gosden: Rob, can I do just five seconds on that because you do make an important point there?

CCW Chair: Okay, yeah,

Lawrence Gosden: When we first came in four or five years ago, that was the position, the company was overstretched. The gearing was over about 90% so, all of that equity that's coming from the new shareholders, has effectively paid off a big chunk effectively off the mortgage, and has made it more owned by the family that lives in it. So, we were definitely over-extended, but we aren't anymore and that's been a lot of the work to refinancing the company and the work that's gone on over the last four years. It makes it overall cheaper to operate and that reflects through into bills.

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CCW Chair: That's really helpful for clarifying it, thank you for that. The good news is the scrutiny panel meeting is now up on the website, put up in the last 15 minutes, so that's excellent news as well. Can we now move on? We'll now move onto the new performance issue that community members chose to challenge Southern Water on, and this topic was prioritised through the pre-task and briefing session because customers' experiences highlighted concerns about poor customer service, unresolved issues and the need for clearer communication and faster problem resolution.

I'm now going to invite three individuals to share their individual experiences, and I think it's Community Member 3, first?

Community Member 3: Yes, hello, good evening, thank you for having me. Basically, I've called Southern Water several times, initially because of the shock rise in my bills and to understand why my bills were rising to such a degree. Basically, your customer service team was not able to tell me, in any clarity and in simple terms, why. I don't have a water meter, I asked if I could have a water meter. I was told, this is three or four times and after this I got fed up, that a manager would call me back. No manager has called me back and I have got fed up. Basically, I want to understand how my bills got to this point. How do you know what my bills are? Basically, we're a captive audience, it's not like an energy company where I can switch, I'm a captive audience here and why can't anyone actually tell me?

As I understand that it's in 2030 that the customer service performance will be done, and I find this hard to understand. But that is my lived in experience.

CCW Chair: Thank you. Can we now move onto Community Member 4?

Community Member 4: Good evening, thank you for this opportunity to speak with you this evening. My experience, customer experience with Southern Water, I had a bit of a nightmare to be quite honest, and it's left me with a lot of anxiety, whenever Southern Water are concerned.

It started with a water leak in the road opposite my house, the position of the leak and the incline of the road meant that the water from the leak was flowing straight down my gravel drive, and so I rang to report this issue. And that was it, nothing happened, water is continuing to flow down my drive, every other day, I'm ringing, nobody gets back to me, nobody tells me if or even when they're going to come. Days turned to weeks, it's still continuing, and going on day and night.

The drive, as a gravel drive, is now flooding and the flooding is underneath the surface as well, obviously it's running wet because of the leak, the drive becomes unusable because of the excessive mud, there's no other access to the property apart from down the drive, the drive has become waterlogged, it's now sinking, as I say, this is going on for days and weeks and I have concerns about the foundations of my house because this constant stream of water is pouring down my drive.

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So, you can imagine, I was feeling quite anxious because no-one was telling me what was going on. After six weeks of still not knowing even if anyone was going to mend this leak, I contacted my MP, who I believe contacted Southern Water on my behalf and then I straightaway got a notification of the work that was going to commence on the leak in the drive.

But the thing is, the leak was mended but that's not really the end of the story because we then had the summer, obviously it's dried out and I'm left with a drive that is almost unusable with ridges, dents, bits have sunken away, so I ended up with a £5000 bill to get my drive back, to restore it back to a suitable, usable condition.

I naively assumed that it was due to Southern Water's negligence, that they would be happy to make it good, bearing in mind it was their fault that they didn't repair the drive or didn't repair the leak, and no, I was told to claim through my house insurance for it, which I was aghast because if somebody damages your property, you expect them to pay for it. So, they told me to claim through my house insurance which, unfortunately, I couldn't do because I'd already changed house insurance providers during this time and so it was too late to do that.

So yes, whenever Southern Water is mentioned or if they're changing the meter at the top of my drive to a smart meter, which I've been told, I just feel incredibly anxious because I naively assumed that if they damaged your property, they would put it right and they'd make it good. But as I say, that was what I was told.

CCW Chair: Thank you very much, and can we now moved to Community Member 11?

Community Member 11: Hi, good evening. So, it must have been about 18 months ago now, I've never really had a problem with Southern Water until then. I suddenly got a bill through and my bill had doubled. From everything I could see off the bill, there was no changes in my water usage, things like that, so I phoned Southern Water to say, "Look, this is astronomical, why has it doubled? It's been absolutely fine for years; my usage hasn't changed." No-one could really give me a solid answer, the customer service member that I spoke couldn't give me a solid answer, they said, "Yeah, no, your usage hasn't changed."

And I then said to them, "I can't afford .." you know, I think it had gone up to over £100 a month, I was like, "We can't afford this" and they said, "That's fine, what we'll do is you will then go onto a direct debit of ..", I think it was £50 ish a month "and that will be locked in for two years." And I said, "Guaranteed, two years, that's what I will pay?" and they said, "Yeah, absolutely fine."

Then six months ago, so a year after I'd had that conversation, I then received a new bill from Southern Water where it had then tripled. Again, looking over everything, there was no change in my usage, nothing like that and again I phoned Southern Water to say, "Look, I was told by the previous, the member I had spoken to previously that you know, I was locked in for this two year paying £50 ish a month and then it would be reviewed at

the end of the two years, we're only a year into that," and they said, "We've got no record of that." I said, "That's what I've been agreed to, that's what I've been budgeting to pay every month for the next two years," and they said, "We've got no record of that so you need to pay the higher bill that we've sent." I said, "I can't afford that" and I said again, I was like, "You know, why has it gone up so much? It's now over tripled?" and they said, "We don't really, you know, that's what it is, that's what you have to pay."

I could understand maybe if in my area, things had been better but there's constantly water leaks, the road by the bottom of my roundabout is constantly flooded when it rains, that's been an ongoing issue for over five years. I'm forever seeing things on Facebook, on the local community groups, people saying, "This road's now flooded and closed, this road's now flooded and closed," so it's not like I'm seeing improvements in my area with these bill rises.

Anyway, the team member then said to me, "We'll get a member of management to call you." A couple of days later, I eventually get someone calling me back, obviously in these days, I'm panicking thinking I'm going to have to pay this extortionate pay every single month, how am I going to afford that? And this manager calls me and I have the same conversation with them, "There's nothing recorded so you're going to have to pay that bill." Eventually, we get to the point, I said, "No, this is what I can afford to pay, it's the same amount that I had agreed with this team member a year ago, and that's it." Eventually, they just said, "Well, if that's all you can pay, that's what we'll put it down as," and that was the end of it.

Thankfully, that is what I've paid but I'm now concerned that I'm going to get another bill next year and it's going to go up astronomically because things have not been taken into consideration and you know, there's going to be no reasoning behind these bills being raised.

CCW Chair: Okay, thank you, Community Member 11. So, three different stories there but all not good to hear, I guess for Lawrence and Tim. Let's now go to the question and Community Member 3, that's over to you.

Community Member 3: Thank you. We are only a handful of Southern Water's customers, yet our experiences bring to life the poor service behind your C-MeX score. What noticeable improvements will you commit to delivering in the next six months, so customers get clear answers, promises are kept and problems are actually solved?

CCW Chair: Thank you for that. I'm now going to ask the company to respond and obviously, again, try and be as specific as possible to the question being asked and then we'll come back to the community members. So over to you, Lawrence and Tim.

Lawrence Gosden: Tim's going to pick through, sorry Tim, can I just say one thing? They were awful stories, I'm so sorry, they sound absolutely horrific. If there's any way you'd be happy to let us have your account numbers, I would love to get those closed off properly

for you, with your proper assurances, but we're going to answer the question now which is sort of what's the implication of those for the wider customers? So, Tim, can you pick that up?

Tim McMahon: Yes, of course, I echo, my apologies, not good to hear. If I just talk a little bit about why we are where we are, our current performance and then I'll answer the question in terms of what we're doing over the next six months.

When we started our turnaround plan, we were very much focusing on our water and wastewater operational performance and the reason being is that is still very important to customers, but if we didn't get that right, we would have had major, major customer incidents in terms of interruption to supply, prolonged water outages etc. And that has been beneficial so if you look at all the things that we get measured on outside of customer service, we've gone from second last in the industry to third in the industry, last year. But we couldn't do everything and therefore some of the areas of customer service have not improved in the way that we'd expect or like and therefore, although there has been improvements, it's not at the level it needs to be and those examples you just alluded to, are sadly happening and they shouldn't do.

The key thing we need to do is upgrade our systems and improve the service with our key partner and look to change our model going forward. Strategically, they're the three things that we need to do because today, if you're a customer and you want to know where your leak is, to Community Member 4's example, you have to go and hunt through 22 different systems or processes or hand-offs, to find out where that job is in the system and so it's very easy to get lost, in summary, which makes it very difficult to manage an end to end customer experience, which is what we should be offering. That is why we are really near the last place in the industry in regard to customer service for both water, wastewater and billing.

So, in terms of what are we doing and then what we're doing over the next six months, really over the next year, it's trying to get the most out of our existing machine as possible and getting a better service in that place, whilst making incremental improvements on that experience for our customers.

And then between the summer of 2027 and summer of 2029, that is when we're really transforming that service into using AI, and some different systems.

And then beyond 2029, it's very much then really building, enhancing their systems further and getting the most out of that in the industry and that will take us to upper quartile, that's how long unfortunately it will take us to get there.

In terms of over the next year, what are we focusing on? We're amending our models, we're looking at how we get more joined up in our processes, end to end, whilst we have some of these existing systems in place.

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We're going to upgrade all of our key systems so there will be a new end to end system for water and wastewater, and within that, for billing and water and wastewater, there'll be a case management system because at the moment, about 30% of our customers are calling us more than once because we don't have that case management. And then we'll look to bring elements in-house.

So, in terms of key commitments, if I can just draw out three. The first one is and this will take an 18-month period but will be on the journey, we're going to demonstrate that journey, is the new end to end systems with the case management tool in place, and I was in our investment committee today that approved that investment of £20m. So, we'll be able to show you where you are on that journey, Part 1.

Part 2 is we're aspiring to achieve all visible leaks in five days, now all urgent, high-priority jobs, visible leakage jobs, we do within 1.8 days at the moment but some of the smaller jobs take longer, so we want to do them all within five days.

The third one is when you're a wastewater customer, if at the moment you're in a process whereby you call about a blockage or a pollution, we manage you through that journey. But if you're the second or third or fourth customer, we do not keep you updated because of the way our tools are working, again, we're looking to upgrade our system in that regard. So, every customer will be kept in the loop and understand where we are in that journey.

The key underpin to all of this which is harder to measure and that's something we'll need to take away and think about how we can present this, is all the incremental works around our process works, and how that is making an improvement in those hand-offs that are clearly failing from those examples that you alluded to earlier on.

So really three key ones, new systems as an 18-month process and we can demonstrate how we're performing on that. Aspiration to achieve all visible leaks within five days and then if you're a second or third or fourth customer on wastewater, you're kept in the loop by our system improvement.

CCW Chair: Thank you, Tim. Does Lawrence want to say anything?

Lawrence Gosden: No, I think the difficult point is you want to see this done in six months and I honestly, I cannot tell you how much I want to see this done as well. But the work that Tim's got to do, we are turning around a really difficult company, the company's got itself into a bad place, it's taken 20 years for it to get there but we had to concentrate on water and wastewater first, and having got those under way and moving, not concluded yet but moving in terms of flooding, pollution, performance, all of those metrics, we're now really turning all of our guns on really sorting customer service out.

But I've just got to expectation manage, it's going to take longer than six months. You will see some improvements around particularly querying your bill and getting a clear

understanding around your bill within the six month period, but the bigger system improvements will take a bit longer, I'm afraid, it could take up to 18 months at least. Because it's big infrastructure, we've got to change big software systems. So, I just want to be realistic about that, Rob.

CCW Chair: Okay, thank you for that answer. I think we'll now go back to the community members, and this is the part about them testing what they've heard and whether you've fully answered their question. I'll hand you back to Sam, to start the discussion.

TMcK Facilitator: Thank you, Rob and thanks again, Lawrence and Tim, for your response. Community members, I'd like you to think about what you've just heard but also what we talked about and discussed during the briefing session. I want you to think about what the response was that you got, what sounded positive but then also what sounded sort of unclear and vague? Three main things were brought up by Tim there, but it would be good to get your input about all the other bits and pieces that we wanted to put forward to them.

That being said, I'll go to you, Community Member 3, first of all, obviously you discussed about unanswered call-backs and an unclear, not being able to be given a really clear explanation of why your bill's gone up. Did they answer your question with what they said, meaning it wouldn't happen again?

Community Member 3: No, absolutely not. Because what I got from this was it was mainly about systems, what we talked about was customer service and therein the lack of. And that is not systems, I just tend to wonder what kind of training the customer service agents actually have, this is not about systems, it's not about wastewater, it was not about that. It was about customer service and I want to know in what way customer service can improve? What are they trained about? How are they trained to answer these questions? These are very pertinent questions.

TMcK Facilitator: Thank you, Community Member 3, that's a really good point. I'm going to put it back over to you and say what do you want the training to include? How do you want to know that the agents on the phone are being told to handle basic concerns efficiently?

Community Member 3: I don't work there so I don't know what their training is, but I do believe that before 2030 and definitely within six months, I do think that a programme can be put in place where customer service agents know how to answer, what to answer, what to look for, and how to deal with customers' problems. This is what was this Question 2 was about, not about systems, it was about customer service.

TMcK Facilitator: Absolutely, Community Member 3, 100%, especially about why your bill's gone up, there should be a sort of easy thing for them to say to explain that to you in a clear way. So that's one thing, is there anything else that you could think of that would be good to be put into a training programme or for the agents on the phone, or how they're

communicating with you, that would be important for them to have training on or know about?

Community Member 3: I mean if a customer service, we're always told in all sorts of scenarios, "Your call is being recorded," right? Okay fine, "A manager is going to call you tomorrow," surely is that not recorded in any way or form? Why is that not followed up? This is about a people experience, it's not about systems, it's about a people experience and there should be something in place, that if a manager has been promised to call you back, why haven't they called you back?

CCW Chair: I think there are two things there that you've articulated, firstly is clear answers first time, so shouldn't there, you're talking about really a clear answer standard so customers always get an accurate understandable response to every part of their question. And secondly, keep your promises to your customers, you track call-backs, you track your complaint responses, and you turn up at appointments at the time you say that you're going to be there, with some sort of escalation if the deadline is missed.

So, I think there's two really good actions in that you've brought out there, Community Member 3, so thank you for that.

Community Member 3: Thank you.

TMcK Facilitator: Absolutely, thank you so much and thanks for asking the question this evening. Community Member 4, I'm going to come to you next since you shared your lived experience. Did what they say mean that you probably wouldn't need to call the MP again? Or are there still some things missing that we need to be building into the plan, moving forward?

Community Member 4: Well, I hope not. Just to add to what Community Member 3 was saying, you just need to feel that you're being listened to, I wasn't reporting any leak in the road which I wouldn't really mind if you take four weeks to get that repaired, I'm talking about a leak in the road which is damaging my property and you know, you just need to feel listened to and somehow that needs to be accelerated through because as I say, if they had responded to the leak within a week or two, I would have been quite happy with that. But to leave it for six weeks and then I didn't know what else to do, I was absolutely desperate, I'm on my own, live on my own, a pensioner and this water's just coming down your drive and no-one is listening to you or sorting it out.

So, it was incredibly stressful and an inspired thought, "I'll try my MP," and bless him, he got onto Southern Water straight away within 10 minutes and then said, I wasn't told, I got a notification that they were going to have to shut the road at night to mend the leak, I wasn't told "Don't worry, it's all being sorted."

And on top of that, the shock and horror that they can cause damage to your property and "Just claim on your house insurance."

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I'm just staggered at that, anyone that causes damage to your property should be sorting it out themselves, not me having to claim it on my house insurance and then face increased premiums. As I say, it wasn't available to me because three months had gone by then and I changed my house insurance.

I can't believe and this is when I get very anxious now because any leak I'm thinking, "For goodness sake, Southern Water won't sort it out and I'll have to pay for the damage that they cause." As I say, I'm very anxious about it still now, this is a couple of years ago because how can a company be negligent and not admit liability, accountability as we're saying and responsibility for their actions, or their negligence in this case.

TMcK Facilitator: What could have been done differently that we could put forward to them that would mean other people don't have the same experience as you? You mentioned having more responsibility or ownership on certain issues and things so let us know what you think.

Community Member 4: I think all they had to have done was reported the leak, get somebody out, somebody say, "Look at the state of your drive, this is awful and yes, we'll do this within the week." Just someone to listen and take it seriously and responsibly, and I would have been happy, that would have been fine, there would have been very minimal damage to my drive in that case, that would have been fine.

CCW Chair: I think there's something really important in there that Community Member 4's saying, and it's basically saying the person she's dealing with should be empowered to resolve the problem, not just have the contact. So, I think it's about establishing a named case owner for complex or repeated problems like this, so I think that's what you're saying, reading between the lines.

Community Member 4: Yeah, that's exactly right, yes, I mean strangely enough, I did pursue it down the CCW route and then I was given a case worker and we looked at it and so on, it went through to the Water Redress Service to try and claim back some compensation for this, I think I managed to get £750 via the case worker and we sorted it out at that particular point in time, it should have just been resolved straightaway.

TMcK Facilitator: Thank you so much for sharing that with us and I can see the team typing in the actions there that you and Rob have put forward. I'll go to you now Community Member 11, thank you for sharing your lived experience with us. Again, over to you, did you get a response that would answer or mean that your experience wasn't lived again? Or is there still stuff that we could ask Southern Water to commit to, so that other people aren't in the same situation as you?

Community Member 11: Just to reiterate what Community Member 3 said, Tim's going on about systems and getting systems in place but surely you have a system to record when customers call, and for a note to be put on the system, something that's been discussed in that conversation, that's not a difficult thing to have in place and again, it's a training

issue, not necessarily what the systems they have to record these details.

Training is you can get in place, you can start off within these six months and get customer service improved with the responses that the customer service team are giving to customers, instead of having to experience what I experienced, of these previous conversations not apparently being noted anywhere, that's a training issue.

TMcK Facilitator: So, what action can we put forward then?

Community Member 11: What training plans are being given to the customer service team? In regards to bills, everyone's bill is different but it's the same format so surely a customer service team member can read someone's bill and be like, "Okay, this is why it's gone up," even if it's looking at certain areas that the bill is related to, it could be, "We could put into the system, we can see in this area, this has happened, this is why these bills have gone up in this area," but it's yeah, basic training, what is being done and the improvements that need to be done to those training plans?

TMcK Facilitator: Yeah, exactly and I think as well, what you were talking about just before as well, is about proper records or being able to record what's been said on the call so if someone else, if you call back again, that person answering the phone can see what's already been logged so clear or proper records there as well, so you're not having to repeat yourself and things like that. Thank you so much, that's really useful.

I'll open up the discussion quickly to the rest of the community members, if you have anything to jump in on, pop your hand up now. Community Member 9, I'll go to you, you've been waiting patiently, so thank you.

Community Member 9: Obviously just building on what everyone's said about communication, that it's not about systems, so I hear what Lawrence said in terms of, he said about end to end, I can't remember exactly, systems, so that basically, if you log a call, you have all the records, you can draw up all the communication, so I understand all that.

But again, coming back to training, in terms of creating an action point of what could be done, to me, the customer service team, they don't actually understand the questions that we're asking. I have had ongoing issues with water quality, so they came and tested the water, it was fine and they then provided me the results of the water quality via an email. So, they just basically said, "Dear Community Member 9, these are the results of your water test, kind regards," and they attached it.

So, I looked into it, very gobbledygook and all I wanted to know really was whether I could drink the water, but you're looking like it was a Friday, it was half past 4, so obviously they shut at 5 and they obviously didn't reply, so I replied via email. So, then I rung, I rung customer service and said, "I've received this water quality report and I just want to know whether I can drink the water," and they said, "I don't know, I don't know the answer to that question but what I can do is I'll put you in touch with the water quality team and

they'll get back to you tomorrow." I said, "What do I do until then? Are you going to bring water out to me then because I'm not going to risk drinking it?" and in fairness, the water quality team did get back to me like 20 minutes later but I do strongly feel that they would not have done that, had I not pushed that point.

I just don't think it's good enough because it's really simple, again it comes down to communication, to say whether your water's drinkable or not and this is going on about plain English, again.

To be honest, it just feels a bit like Southern Water don't give a shit, I feel a bit like you're just constantly contacting them, constantly chasing, I still have, like they have supplied water now, again that evening because I think, because I escalated it, which is obviously good but again, they wouldn't have done any of that if I hadn't sent an email, if I hadn't then rung to escalate it and you shouldn't have to keep doing that because it's exhausting.

It's still an issue now because they provided us with a one-way valve and again, I have no idea whose responsibility that is because they said that's probably the issue and that they will come back and test the water in two weeks' time. The person that came out showed us how to fit it, I can't undo it so I rung the water company and they basically said, "It's not our responsibility, we're not personal plumbers," and whilst I understand that, I've now got to fork out money to pay for this valve which I think was £80, so I have basically told the water company, "You can't come and test because I can't afford to fit it."

What I don't understand to me, I don't understand why they couldn't fit it while they're out there and again, I don't know about public liability and insurance but to me, it's again a communication thing and it really frustrates because communication is so basic, this is not rocket science. You just need to, like what Community Member 4 said about the water leak, if someone had told her, "Someone will be out with you in two weeks," at least then you know, it's fine, but when you have nothing to go on, it's just very frustrating.

TMcK Facilitator: Is there an action then to add, obviously you're talking about training and everything like that that the others have covered, but is there an action about updates then, when it comes to that?

Community Member 9: Yeah.

TMcK Facilitator: What could we put forward there then?

Community Member 9: I just think, again this is probably with what Lawrence said about the end to end thing, about having like a dedicated person who actually understands your case, so I think obviously, I appreciate what he says, it can take time but I think having consistency so that you have the same person dealing with your case, which I appreciate is not always possible but if it's complex like Community Member 4's or like

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well, mine's not particularly complex but complex cases where you have a case handler, because otherwise you're basically having to explain the whole situation again and again and again, to people that have no idea what the situation is.

TMcK Facilitator: Thank you so much, Community Member 9 and thank you for sharing your experience with us again. Community Member 8, I'm going to go to you now and then I'm going to read out a couple of comments that have been put in the chat, just so others are aware.

Community Member 8: Just regarding some things that have been mentioned but also going back to the leaks which Tim touched on, saying about obviously the emergency ones will all be treated or they want to treat them as soon as possible, I think he said within a day, so the less serious ones, he mentioned about, he used the word, "aspiration" to have them fixed within five days. To me, "aspiration" in English, it's a very wishy washy word, it's like we can all have aspirations, my aspiration is to travel to the moon for whatever, but you've got to be realistic.

So, what are they going to, it's all very well having the aspiration, what are they actually going to do when they don't fix it within five days? Are there going to be any penalties in place that the regulator can put in? Or are we going to get any money, a small amount of money off our bills when they fail like that? Because that would obviously make them, you know, maybe want to actually meet this target rather than have this weak word of "aspiration."

Just touching on [that] very quickly, the customer service, I didn't realise but that suggests that it's already contracted out, their customer service department.

Somebody can jump in, maybe Rob, if I'm wrong about that but if it is going to be brought back in-house or whether it is or not, surely what everybody's talking about is about the performance of these customer service staff because, and that obviously comes from leadership and I'm not talking about necessarily Lawrence or Tim, just managers in the customer service department because if you've got, you know, the culture normally reflects what the managers are doing - so if it's not in-house at the moment, until it does get in-house, and when it does hopefully come in-house to improve it, the managers surely need to be monitored better? It's not about performance related pay but their performance, is it not monitored? If not, how is it? Why isn't it?

And because there are so many people now unemployed and the customer service staff, there are two a penny of them and a lot of them now have to get qualifications, even in the Civil Service, they're expected to do a customer service course in some parts of the Civil Service, I know from somebody I know.

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So surely, if they're not going to perform, the customer service staff, the managers, get them out and get some new staff back in because that way, you might turn around the customer service performance and what the public perception is of them, much more quickly.

TMcK Facilitator: Absolutely, and a very good point about the word, “aspiration” because we touched on that during the briefing session, about words that don't stick and hold to account. Back over to you, going on the aspiration point, they talked about “getting a better service,” and “incremental improvements” and all the different processes, what action could we put forward that takes away the aspiration and makes them to commit to something?

Community Member 8: Well, their target is, their performance related target is to meet such and such percentage within those five days that Tim mentioned, and if they don't, what will be the consequences, you know? Will somebody have reduced pay? Will somebody, well obviously not demoted but you know, will we get something back as customers or something like that? Even if it’s like you know, just a token gesture or 50p off one of our bills or something because an aspiration, anybody can have an aspiration, it’s too weak.

CCW Chair: Can I just butt in there? Because I mean I understand what Lawrence was saying about the long term systems changes and that all obviously has to be part of what comes next, but I think what, if I were to try and summarise what customers want, is they want the company to demonstrate from now essentially, measurable improvement, month by month, through their people and their people communicating at the customer service end of what’s happening.

I just think that all points to, for example, they could publish a customer service dashboard with baseline targets, monthly progress against the main causes of satisfaction, so that that six-month improvement window, you might see some improvements during that rather than waiting for 18 months’ time for things to happen. Anyway, just throwing that in because that seemed to be what we were sort of groping towards.

TMcK Facilitator: Thank you so much, Rob. Does anyone else have anything they want to add? I’ve got a comment here from Community Member 10, just reiterating what others have said about, he says “It’s a concern that numerous calls are made regarding similar incidents, yet previous calls don't seem to have been logged so there is a visible trail. Surely the bill increase incident that increased three times should have some sort of physical log each time it’s discussed?” So that goes back to our point about reporting, keeping proper records there.

I’m going to share my screen now. We had a lot of discussion there but there was a lot of really important things to go through. So, I’ll share my screen and just go through the actions that we’ve brought up this evening.

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For the sake of time, I'll not go through what Lawrence and Tim said that they're currently doing and what they will do in the future, but the new actions that have put forward as an ideal water company response: Improve training for customer service agents so they know how to handle key customer concerns.

Staff need to have a reassuring and easy to read, so plain English explanation, for example, the bill increases and also to Community Member 9's point as well, about whether or not, well how to read a water quality report and if that means the water is safe or not to drink.

Staff to provide clear and timely follow-up on customer issues, issues need to be tracked and escalated where appropriate, assigned case worker to each case and if follow-up is missed, there needs to be some sort of explanation as to why.

Revise staff training plans for customer service, staff members must be proactive in responding, so customers should not be the ones having to chase the staff members for an update or escalation and so forth.

Staff must provide a clear plan of future actions by the end of the call and staff to create clear logs of all customers' issues, so again going back to those proper records being held.

Southern Water to also clearly communicate what the consequences will be if these targets aren't met and a suggestion there as well, publish a customer service dashboard demonstrating company improvements on customer service metrics, which would be a clear visual of how the company is progressing within the six months, and then also longer term as well.

I'll open it up back to the community again to provide any further comments, if there's any gaps that need addressing, anything that needs to be added to or further expanded. Anybody got any comments?

Community Member 9: It was just more curious really, just going back on, I think the last point about when you raise an issue to customer service and tracking it, like I say, I don't know if this is actually a possibility but you know when you have a Southern Water account, you can have a customer portal so you can raise, a bit like banking, where you can raise a concern and then be able to keep track of it. But again, I don't know if that's possible, but it just entered my mind so I thought I'd …

TMcK Facilitator: Thank you, we can pop it there and then when Lawrence and Tim have the final comment, they can address that, if that is a possibility as well.

Community Member 3: Or maybe even just a reference number, "This is your reference number," call back and quote a reference number, something as simple as that.

Community Member 4: I was actually given a work reference number, and it meant nothing, I was given that and it meant nothing.

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TMcK Facilitator: So perhaps what Community Member 9 was saying about more of a sort of dashboard, or a clear progress of how your issue is being resolved, or what's happening with it?

Community Member 3: Well, that's interesting that Community Member 4 was given a reference number, over the period of time that I've actually called, I was never given a reference number. So, I mean you know, it just goes to show that there's no, it doesn't work the same way basically with everyone, some people are, some people aren't and this in itself should be addressed.

TMcK Facilitator: Absolutely, Community Member 3 and we can build that into the training section of the action plan because we've covered better training, and then also the updates there as well. Community Member 6, are you wanting to add any comment there?

Community Member 6: I just feel in this day and age, Southern Water should be like a utility company and they should be getting into the 21st Century. It was only until I became part of this group that I was able to know that there was far more information on the website because I didn't really know there was a website at that time, because I didn't need to ever use it.

But if you belong to a utility company, if you belong to a television company, you have the facility via an app, to be able to access your account and report any issues that are going on, and you can keep a record of it and you have records of your interactions with the company. Why are the water companies not doing this? They need to get updated; they need to get into the 21st Century.

TMcK Facilitator: Thank you, Community Member 6 and Community Member 7, you're agreeing with Community Member 6 there?

Community Member 7: Yeah, I think they need to become more accessible to customers, and it feels like there's a barrier that feels quite archaic at the moment.

Community Member 6: I agree.

TMcK Facilitator: That's a fair point, thank you. Anybody else got anything to add before I pass back to Rob and Lawrence and Tim? Okay, Rob.

CCW Chair: Thank you, I think we're just going to pass straight over to Southern Water to try and pick up some of the things that from that discussion, and look at whether these are practical solutions or whether there might be issues as to why they can't be done. So over to you, Lawrence and Tim.

Lawrence Gosden: Thank you, Rob, thank you all for that, that was horrible to listen to because it's just utterly unacceptable.

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Two things I wanted to quickly say and then Tim may want to follow-up quickly. The first one was just reiterating my offer that if you can give us your customer account details, I will personally look into the three cases and just get some closure for you in, in one way or another. I would like to do that so if you'd be happy to do that, please do get in touch with me directly through CC Water, however you want to but I would like to close that out for you.

The point, I just wanted to be a bit candid, if I can for a moment. We inherited a almost completely outsourced customer service function, it was outsourced, it's not something me and my team put in place, it's something we've got to try and sort out. I don't expect any sympathy or empathy because it's our job to fix it, and sort it out, and you shouldn't be having to put up with any of this pain at all.

But it is, all of the points that you're making are very, very good, they're all excellent points and they're the points that we need to build into and give it all the customer service passion and ownership and leadership that we can.

But the ambition, clearly, is Southern Water customer service agents all trained in all the ways that you're talking and able to provide the service that you deserve, that's where we're going to get this to, but it's going to take us a good 18 months to get there.

Tim, did you want to pick up anything?

Tim McMahon: Yes, just to build on a few points, we need to manage the existing machine as we can and there was a lot of talk around training, empathy, call-backs and that sort of performance and we are doing a lot in that space. If you look at our performance in terms of billing particularly, it's gone from a score of 5½ out of 10 to 6½ out of 10 in the last nine months, through the work we're doing. But it needs to be 9 and that's the bit we're pushing through, with more training, first contact resolutions, having more floor walkers around to help people if they're struggling to resolve the call first time, but the call back bit and the system bit is a really important underpin for what we need to do.

So, if you called around water, waste or billing, they're different systems and if you're a billing agent, you can't see why a customer has called about anything else and have that

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history. So, we need that information to help give a better experience for customers and also track the nearly one million calls we get a year, so we can then work out when a call-back is occurring because we can't check it, the system is quite a big underpin to support that wider system, wider training and improvements we're doing.

Community Member 9, you mentioned your case as well so if you could, like Lawrence has alluded to, to the three customers before, if you could send us your information as well, we'll definitely look into that around the water quality journey.

I used the word, "visible leakage aspirations", probably the wrong word, I guess the reason why, it's difficult to sort of aim for a five day target which is very ambitious, we are one of the leading companies in the UK at fixing leaks quickly, and we can see that in our leakage performance because we are third best in the industry at leakage. We reduced leakage by 25% over the last two years because of doing the leaks quickly.

The problem is you can't always achieve them in five days because I have a visible leak in the Isle of Wight at the moment which would knock out 10,000 properties, so you can't just turn it off and then fix it, you have to operate the system, get water into the area and water quality is paramount, so we have to manage that accordingly.

Or it's a key arterial route into an area which again means that one can't shut that piping quickly and dig that hole which would disrupt that traffic, so some of these leaks do take time, not in Community Member 4's case, from the sounds of it, but in the main they can take time and that's why I said you can't really achieve it every time but we can absolutely aspire to five days, and we can absolutely commit to a sort of X percent within five days, as per sort of the action raised.

So, I hope that gives you a bit of a flavour of what we're doing around the training and getting our partners to perform better, aside the visible leakage sort of number.

CCW Chair: Thank you for that. Can I just be clear in terms of outsourcing, are you saying that that situation can't be improved by performance managing them over the next six months?

Tim McMahon: You can, absolutely you can and I'll give you an example of that nine months in which it has improved, but to get to where we want it to get to, where we want to be is upper quartile in the industry.

CCW Chair: I guess what your customers are saying is they want to see that performance improvement and understand it as it happens, so if you can improve, make improvements, your customers want to know about it and have it benchmarked and understood. And a realistic timeframe for doing it as well.

Lawrence Gosden: One of the actions is that, so we'll do that.

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Community Member 8: Do you think you'll be having to employ more to get it to where you want it to be, into the upper quartile of customer service levels?

Lawrence Gosden: Sorry, I missed the first bit of your question, could you repeat the first bit?

Community Member 8: Do you think you'll be needing to employ more customer service representatives just to get it into the upper quartile that Tim and you have spoken about?

Lawrence Gosden: Ironically, and this is where the systems thing is really important, is actually I would anticipate that you wouldn't need quite as many because they're dealing with all these horrible systems. So, you can do it much more efficiently with much better service because you get that individual case managed feel, so that you get one person dealing with your case and then you get it properly resolved, that kind of style.

Community Member 8: Sounds great, fingers crossed, thanks.

CCW Chair: So, I think we can move on because we're in for the final 14 minutes this evening, we've got a Q&A which seems to have already started a bit anyway. I think we can move on from those actions, I think there are possibly some that we need to look at and agree probably post this evening.

So, let's move onto the Q&A, there's no timer for this section but obviously, we want the quick questions, quick answers, certainly no more than two or three minutes an answer and we'll start with the first question, I think Community Member 5, you've got it.

Community Member 5: Concerns about performance and accountability have led some of us to question whether changes to how Southern Water is run could better serve customers. How do you see the future of Southern Water, including the possibility of greater government intervention or public ownership?

Lawrence Gosden: Really good question, I see it very straightforwardly as I don't think that government has the kind of money available to invest in the water sector, you're talking £100bn of investment just in the next five years.

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So they're going to need to use private money to achieve that, so my phrase that captures all of this really I think is, private money but with proper public accountability and so what that means is I see water companies and Southern Water in particular, being more directly accountable to regional bodies and those regional bodies would be made up of local mayors, local authorities, key members of the community, so that we're really able to sort of publicly demonstrate that accountability for all the infrastructure that you're delivering with that private money.

But I think we've got to get a marriage between private money but really visible public accountability and that's the future, and I think that's what Andy Burnham's been particularly talking about with public control and we're all in, we honestly think that is exactly what's needed, it will help bridge communities and water companies, which is what is needed.

CCW Chair: Do you have any follow-ups that anybody wants to ask on that? If not, we can move onto the second question. Who is asking the second question?

Community Member 9: It's me. Even if we don't meet eligibility criteria, we may still be struggling financially, we want our individual circumstances to be taken into account. The question is really, can support be considered on a case-by-case basis for customers who are struggling, but do not meet the current eligibility criteria? And if they don't, what else can you or will you commit to?

Lawrence Gosden: Tim, do you want to take this? I'm happy to take it.

Tim McMahon: No, I'll go for it. Obviously, we have our Essential Tariff which if one is under £22,000, they can get up to a 45% discount on their bill, which we give to 195,000 customers and obviously, looking to increase that. But we recognise there's that kind of cliff edge, if you're slightly above that, you're not eligible and I can commit that we are looking at our affordability strategy, to look at how we might amend that.

I'm not saying we will, we've got options that we're reviewing that we need to assess but we can look at how we stop that cliff edge because we do recognise that is a really significant challenge for some customers, so we need to look at and adapt our approach. So, we're currently modelling that at the moment and taking it through various conversations internally, to see what we could do in that space.

Lawrence Gosden: So, if you could imagine, what we're trying to model is instead of it being at £22,000 and below, you get a 45% discount and above, you get nothing which is the point you're making, that cliff edge Tim refers to, is that there will be a bit of a taper, which would then help those who are above £22,000. So if you're on £22,500, you're really going to be struggling as much as somebody who's on £22,000 but you're not getting that support, so a bit of a graduated tail that we think is the right way to do it but we've got to do modelling, we've got to do customer support work, we've got quite a bit of work to gain support for that, with our regulators and our customer base.

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CCW Chair: Great, do you want to come back on that Community Member 9, or are you happy?

Community Member 9: I understand what's being said and obviously it's good they're looking into it because I guess it's because I feel quite strongly on it from a personal point of view, just in terms of the fact that, so I'm not working but my partner is and I am on benefits but not means tested benefits and I guess just – and I appreciate that it isn't as simple as that – but for example, other, I guess some energy companies and like, for example, broadband, if they are on benefits, they just give you a tariff. So, it was just to make sure that you're aware of the difficulties people have that are above that threshold because it's still a struggle.

Lawrence Gosden: Yes, super aware and it super worries me and that's why we're doing the modelling work, to see if we can find a better way to help that.

CCW Chair: We'll try and squeeze one more question in before we go. Community Member 1?

Community Member 1: We need reassurance that you're prioritising the most urgent work and getting the basics right, so what are your most urgent priorities and what improvements will you commit to delivering for customers over the next 12 months? Thanks.

Lawrence Gosden: Is this over the whole company, is this on everything we do across water, wastewater, or is it directed to customer service? Are you thinking just customer service or is it wider?

Community Member 1: I would say it's wider but customer service being the focus probably, as you've already stated.

Lawrence Gosden: Tim, do you want to kick off and I'll follow-up?

Tim McMahon: Yes, absolutely, I mean there's so many priorities for customers and stakeholders and regulators that we have to deal with, but if I could pick a few. We know from a water perspective, leakage, when we create our plan and then challenge that with our regulators and stakeholders, we know that leakage is the most important thing for customers, for water, because it's wasting water, water is a scarce resource in the South East.

So, we have committed, from 2020 to 2050, to reduce leakage by half but in fact, over the next, between 2025 and 2030, we're aiming to reduced it by 20%, which is a very challenging target. As I said before, we're third in the industry and we've reduced it by 25% over the last few years, but we have a lot to go at in the next few years. So, it's very much maintaining that leakage plan, hitting our leakage target, so that's the water side.

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On the wastewater side, we know the most important thing to customers, there's two parts really, bathing waters and pollutions. Pollutions again is escape from sewage, from our assets, that could harm the environment, terrible thing to do to the environment. Again, we're aiming to reduce pollutions by over 30% over the next five years, getting very challenging targets to do with the asset base that we've got but that's again, making sure we hit the targets that we've set with our customers.

And in bathing waters, our Cleaner Rivers and Seas programme, the £1.5bn we're aiming to spend is making sure that we're spending that over the next 10 years, and making improvements in bathing water because customers want to be able to bathe in the environments that they live in.

And then underpinning that is the generational need. We have a lot of our, there have been increases around some significant investments to deal with the future challenges we're going to face with climate change and growth, and the environmental destination that we need to serve. Our Water Resource Management Plan and how we're re-plumbing Hampshire is a very, very important programme, so really starting to deliver on those programmes.

Over the next year, we're delivering the first of those big projects called the Southampton Link Main, which connects East and West Hampshire together. So, I think hitting the plan for pollutions, leakage and bathing waters that are set out and clear within our annual return and the commitments we set with our regulator, and in starting to deliver some of these big investments, we can demonstrate that to the customers and the Southampton Link Main in Hampshire is a key example of that.

Lawrence Gosden: Thanks, Tim. And I'll just sort of build on top of that, coming up a level even from those targets Tim's talking about, there are three for me: One is the financial resilience of the company so that means maintaining a strong balance sheet, making sure that that shareholder money is coming in and that is supporting customer bills with all the investments that we need to make, with a strong balance sheet, minimising debt and making sure that we're working that financially for the benefit of our customers, that's the first one.

The second one is operational performance and they're the points Tim's highlighted there and then the third one is customer service and reputation, and those two things come hand in hand for me and they are a strategic priority of the board.

So, all the things we've been really chewing through and the really difficult experiences by people, that is right up there in my top three, to focus on and resolve, that as we've been talking, that is more complicated for us to resolve because of this outsourced contract. But we are resolute on getting that changed, so they're the big top three.

There's loads of others, there's capital programmes, there's all sorts of other things going on, £9bn worth of capital which is delivering overflow reduction, nutrient reduction, new

sources of water and thinking about water recycling, all those kind of things as well, but those big top three, in the time available.

CCW Chair: We're running down the clock now, Sam, is there anything there that we need to capture from the question-and-answer session?

TMcK Facilitator: No new actions have been proposed but all the actions that Lawrence and Tim have mentioned that they're working towards, based on the three Q&A questions, have been recorded and they'll be built into the action plan as well. For example, the modelling of new affordability strategies among customers.

CCW Chair: Great, okay, well thank you, Sam, for facilitating all the discussions this evening and also thank you to Lawrence and Tim, it must have been quite hard at times listening to some of that customer feedback. I mean you're obviously in a tough position and you're trying to dig your way out of it, but I think what customers are saying tonight, they're not asking for a promise that customer service will improve, I think what they're saying is they're asking for evidence that it will.

So, over the next 6-12 months, I think what they're saying is they'd like to see Southern Water demonstrate three things in particular: that customers are getting clear answers, the commitments that you make are kept and that problems are resolved without customers having to chase repeatedly your customer service people. I think we talked about agreeing some specific targets, naming executives who have responsibility and reporting progress against targets back on a regular basis.

Obviously, we now move onto what happens next, thank you to everybody on the panel, by the way because I think your contributions this evening have been outstanding. The actions that you've seen on screen have been captured live and will form the basis of Southern Water's follow-up action plan.

In terms of next steps, we're going to have a summary report, a fully anonymised transcript and full list of actions are going to be published within the next seven days, and that's by Thursday 29th October.

Before publication, session members will have the opportunity to request changes such as redaction of personal information, Southern Water must publish its action plan within 28 days, by Friday 27th November, setting out how it will deliver against the agreed actions. CCW will publish this on its website.

CCW Chair: Once the action plan is published, community members will be sent a link and a short survey asking whether the plan accurately reflects what was agreed, and

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whether it's enough to address the concerns raised and you'll have 10 working days to respond to that.

This process is designed to make sure tonight leads to follow-through, not just having another discussion as it were.

Finally, again I want to thank all the community members for the time, thought and challenge that you've brought tonight and Southern Water for engaging with the process. Your input is what gives the sessions their real purpose so, thank you, everybody, and one minute late, I can let you all go. Thank you.

TMcK Facilitator: Thank you very much, everybody.

[CLOSE]