

April 2023

Turnaround Plan 2023–25



from
Southern
Water 



Introduction

We know our performance is not yet good enough, and we have an ambitious plan to address this, focused on the operational turnaround of the company.

Our Turnaround Plan will deliver a short sharp ambitious improvement by 2025, particularly in terms of our environmental performance. It includes four clear outcomes that we're promising to deliver, improving our service to customers and the environment.

It will take time, however, to materially reduce storm overflows. For this we need to redesign how the entire sewage system works. We've been working hard with our partners in the community to make a start on this, and have advanced plans which we'll announce in May 2023.

My new executive team and I are also developing our five-year plan from 2025–30, and testing that with customers to make sure we balance the cost of these improvements with keeping customers' bills affordable. It will deal with important areas such as storm overflows, river water quality and decarbonising the water industry.

We've already made huge changes to our business, improving transparency and embedding a new culture centred around a Code of Ethics that is driving our day-to-day decision-making. Our new shareholders have invested significantly in the company, helping us to accelerate improvements, exceeding the allowances provided by our regulator.

We know these plans are ambitious, however, we have 2,500 dedicated scientists, engineers and industry professionals working for Southern Water. They are all committed to making this plan a reality. We'll be reporting on progress every six months through to 2025.

Lawrence Gosden, Chief Executive Officer.



We are committed to delivering:



A reliable supply of water for our customers

Safeguarding resources and making sure our customers have access to a supply of high-quality water now and into the future.



Healthy rivers and seas

Protecting and improving the environment, working transparently to enhance inland and coastal habitats.



Trusted and easy customer service

Supporting our customers with easy service and transparent communications that show we care for our communities.



Empowered and supported colleagues

Enabling our people to work in a safe, collaborative and inclusive workplace that offers rewarding careers at the heart of our communities.

With the help of these enablers:



People and culture

Investing in our people through training at all levels and competitive career choices, aligned to our culture to business outcomes.



Digitalisation and technology

A responsive, connected network and processes that support our operations to act faster and deliver more effectively for our customers.



Value for money

Challenging our own decisions, operations and supply chain to drive value and spend every pound wisely.

Our Turnaround Plan

The actions we're taking to drive improvement



A reliable supply of water for our customers

- Improving the reliability of our water supply works** by putting in place new assets and improving maintenance. This includes the complete overhaul of our four main sites, benefiting 62% of our customers.
- Using digital technology** to build next-level smart networks with new technology, including sensors, smart meters and artificial intelligence to reduce leakage and enable our teams to respond more quickly.
- Upgrading our logistics capability** so we can move people and materials around faster, 24/7. This includes a new tanker fleet, storage of critical spares and an overhaul of our work management processes.
- Improving the management and control of our sites and networks** through applied manufacturing thinking we are improving our core systems and processes.



Healthy rivers and seas

- Building capacity and resilience at our wastewater treatment works** to reach 99%+ compliance with treatment and permit standards. This means making sure our pumping stations and networks continue to operate effectively as our climate changes.
- Making sure our assets work to capacity.** Updating our maintenance standards and proactive control to stop assets failing, and developing an improved emergency response.
- Digitalising our sewer network to reduce pollutions and flooding,** using industry-leading monitors, artificial intelligence for prediction and maintenance.
- Improving training, development and productivity by upskilling our front-line colleagues.** Making sure they are multi-skilled and externally accredited to deliver the service our customers expect.



Trusted and easy customer service

- Making things easier for our customers** by improving the on-line experience and creating a new website, improving customer journey, data quality and complaints process. We'll also introduce a video assistant for customers.
- Creating a customer culture.** Making sure that every colleague understands our customers and their unique needs. This includes the introduction of customer promises and customer service training for all colleagues and partners.
- Better engagement with our communities** through improved multi-channel and direct communications, education programmes and regular stakeholder forums.
- Supporting customers in vulnerable situations** by improving our priority services during incidents and our social tariff offering.



Empowered and supported colleagues

- Improving the safety** of our colleagues with the introduction of a new mobile risk safety app.
- Working with care** to embed health and safety as a key way of working with upskilling, training and onboarding programmes.
- Managing our compliance** through new systems, inspections and assurance.
- Supporting our colleagues** through our Inspire Academy, internships and a graduate programme to make sure we upskill and develop each individual.

Where we'll be by 2025



3rd quartile performance against our peers

Improved water quality that shows our commitment to excellence.



3 star performance awarded by the Environment Agency

Environmental Performance Assessment rating that clearly shows our commitment to healthy rivers and seas.



7.5/10

Our commitment to improve our customer experience for all our consumers.



0.2

Lost-time injury rate which highlights our commitment to health and safety excellence.

What you'll see by 2030

A reliable supply of high-quality water for our customers across our region and a commitment to continue to address the challenges climate change presents.

Healthy rivers and seas across our region. This includes inland and coastal habitats and ecosystems in which we operate.

We're making informed and trusted decisions. Our communities feel supported through easy engagement and service.

An ethical company with a safe, collaborative and inclusive work environment. One that enables rewarding careers at the heart of our communities across the South East.

A reliable supply of water for our customers



Objective: Provide reliability and quality reaching 3rd quartile for quality by 2025.

Our key focus areas

Several of our sites and areas of our network have become less reliable because of their age and design. Our plan includes improving them, and this work has started. Our plan focuses on the necessary fixes at our largest sites.

We're taking a proactive approach to inspection and maintenance, and this has helped us to draw up detailed plans for our four biggest sites and 20 smaller ones. These plans answer our notices from the Drinking Water Inspectorate (DWI). We're confident they are realistic and deliverable.

We understand the opportunities that new technologies present us with to improve the management of our network, and we're installing monitors and sensors on our network. We'll continue to invest in systems and tools that help us to maximise the data available, so we can find and fix more leaks faster and make our networks more efficient.

We've also invested to improve our logistics capability, with a fleet of new tankers delivering water and parts and spares where they are needed most. We have also increased our stores of parts and spares to make it easier for our teams to quickly access what they need, when they need it. All of this is supported by new management systems and processes so we can improve our management of risks.

We're committed to improving the reliability and quality of our water by...

2022	2023				2024				2025
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Improving the reliability of our water supply works by putting in place new assets and improving maintenance. This includes the complete overhaul of our four main sites, benefiting 62% of our customers.									
Deliver 103 projects at our four largest water supply works through the investment of £150m									
Tactical investment at 20 sites to improve reliability and output by 50ML/d									
Complete our most ambitious reservoir inspection programme									
Reset all notices to improve delivery confidence with our regulator									
Using digital technology to build next-level smart networks with new technology, including sensors and smart meters to reduce leakage and enable our teams to respond more quickly.									
Deliver smart water meter improvements									
Complete the pressure management and programme to support leakage and network resilience									
Roll out of our new GIS location and asset register system, enabling improved systems across our water networks									
Improve our process for finding and fixing leaks – we've already improved our fix rate by 30% since summer 2022									
Upgrading our logistics capability so we can move people and materials around faster, 24/7. This includes a new tanker fleet, storage of critical spares and an overhaul of our work management processes.									
Continually improving the use of our six in-house 24/7 water tankers									
Increase our logistic stores to eight to enable improved response in and out of hours									
Deliver tactical improvements to our end-to-end work management processes									
Improving the management and control of our sites and networks through a constant review of our core systems and processes.									
Roll-out of a new risk assessment approach to enable safe control of work on our assets									
Investing in key improvements									
Roll-out of new contracts and ways of working to improve customer management and operational response									

Healthy rivers and seas



Objective: Improving our environmental performance and reach a 3 Star EPA rating.

Our key focus areas

We know that we haven't always met our customers' expectations in terms our environmental performance. We're committed to changing that and we're focused on increasing the capacity and resilience of our sites and networks.

To achieve compliance with treatment and permit standards, we're investing in upgrades across our region, improving our treatment works, pumping stations and our networks. This is crucial as we manage the impacts of our changing climate.

We know that when our sites and networks fail, this has a negative impact on the environment, and that is unacceptable. To limit our impact, we're revising and updating our maintenance standards and processes. We're introducing proactive controls that can spot failures before they happen. This is particularly important in terms of managing power availability. We're also improving our emergency response.

Our sewer system needs to be modernised to reduce pollution and the risk of flooding. We're digitalising our networks, using industry-leading monitors and utilising artificial intelligence to predict failures and plan maintenance.

Our employees are our most valuable asset, and we're dedicated to providing them with the tools and training they need to succeed, so we're able to provide the best possible service to our customers and the environment.

We're committed to improving our waste and environmental performance by...

2022	2023				2024				2025
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Building capacity and resilience at our wastewater treatment works to reach 99%+ compliance with treatment and permit standards. This means making sure our pumping stations and networks continue to operate effectively as our climate changes.									
Deliver our 'Go To Green' programme – £25m of tactical interventions at 45 sites to make sure our treatment works reliably meet standards									
Make sure our works are able to treat required flows, as described in our permits, through strategic investments and tailored initiatives									
Reduce the number of spills from storm overflows to fewer than 18 by removing excess surface water from our systems									
Making sure our assets work to capacity. Updating our maintenance standards and proactive control to stop assets failing, and developing an improved emergency response.									
Restructure our control room so we can spot failures before they happen and, when they do, respond faster									
Increase the durability of our sites and networks by upgrading 52 pumping stations, increasing resilience at over 700 pumping stations to allow them to reset automatically and investing over £40m on new pumps and control systems									
Prevent wastewater escaping from our network by cleaning over 700km of sewers a year and installing over 80 new devices to reduce bursts through more effective pressure management									
Deliver planned preventative maintenance to improve the reliability of our sites and networks									
Digitalising our sewer network to reduce pollutions and flooding, using industry-leading monitors, artificial intelligence for prediction and maintenance.									
Digitalise our network by installing 23,000 sewer level monitors and 1,300 Event Duration Monitors to allow us to predict spills and network issues before they happen									
Reduce the number of flooding incidents by having greater visibility of flows through our network. We'll do this by using Artificial Intelligence and case managing flooding hotspots on our network									
Improve the accuracy and efficiency of our spill reporting by automating processes and using artificial intelligence									
Improving training, development and productivity by upskilling our front-line colleagues. Making sure they are multi-skilled and externally accredited to deliver the service our customers expect.									
Apply externally accredited training expertise with practical upskilling programmes for all Operators and Technicians, together with technical training for all managers, scientists and engineers									
Improve efficiency through better logistics management									



Trusted and easy customer service



Objective: Provide a great customer experience and reach a 7.5/10 C-Mex score (8% increase).

Our key focus areas

Our website doesn't allow customers to interact with us in the way they would expect. We also haven't always used customer data and analytics effectively to inform improvements to our services.

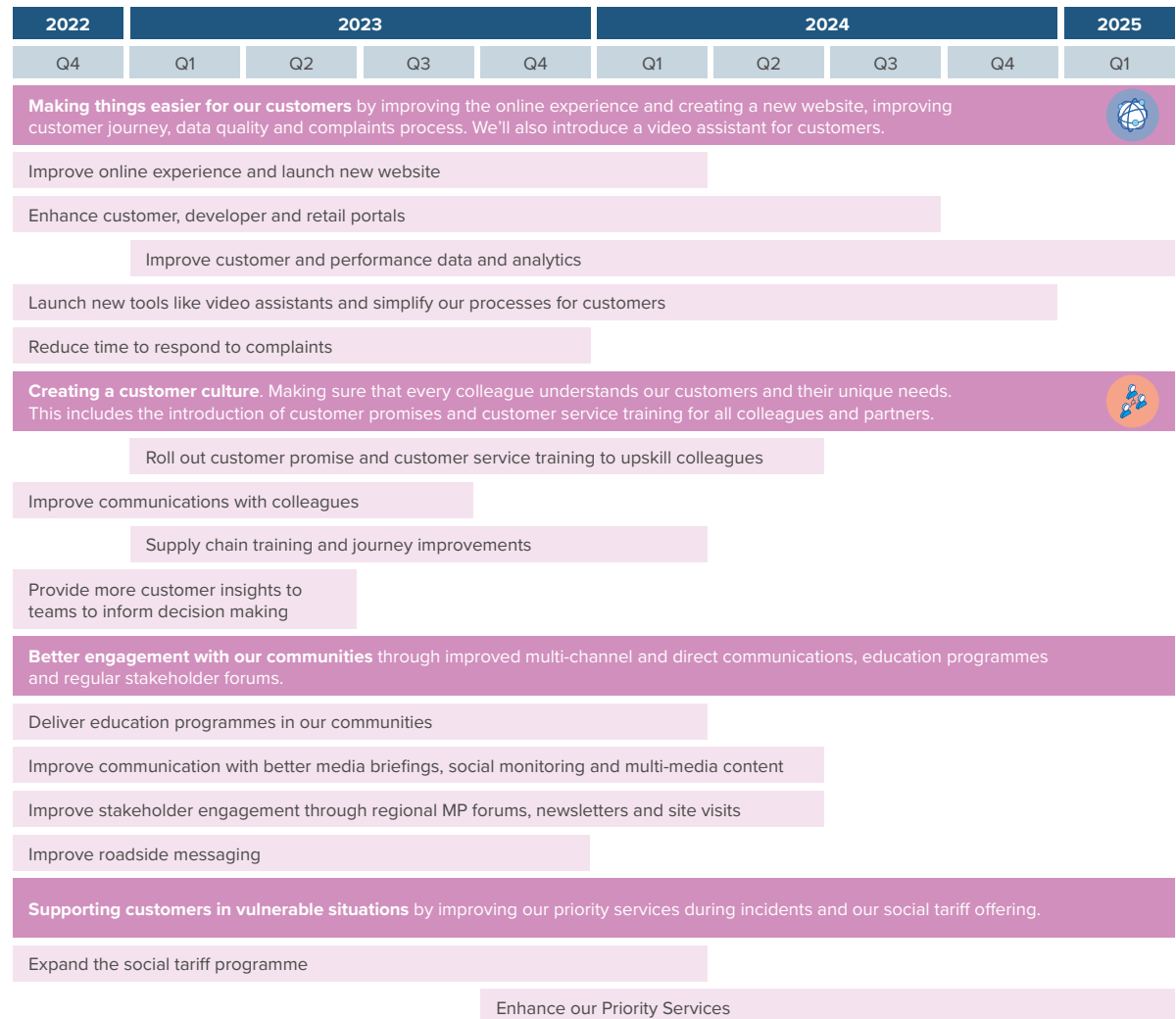
This is why we're investing to improve our customer experience. We plan to reduce processing and wait times, share customer insights with colleagues and continue to improve services for all our customers. Our new website will be a part of this and is supported by process, data and analytical improvements behind the scenes.

Our colleagues and those who work with us via our supply chain are at the heart of providing a trusted service to customers. We know that our approach and support for colleagues could be better coordinated, so we're improving communication and training.

Being a part of our communities is central to our decision-making and we know that we have not always been great at keeping our customers and stakeholders updated about the work we're doing. That's why we're investing in a new education programme and improving our communications, so we can help our customers to understand the work we do and how they are impacted.

We've always supported our customers who find themselves in vulnerable situations, and this year we extended our social tariff scheme. We want to go further, and we've been working with other water companies to update our plans. We want to improve access to our priority services and increase the number of customers on our register so we can offer more support when it's needed.

We're committed to improving customer experience and our reputation by...



Empowered and supported colleagues



Objective: Manage a safe and ethical workforce with reduction to 0.2 lost time injury rate.

Our key focus areas

The safety of our communities, colleagues, and supply chain partners remains our highest priority. That's why we're making improvements to the equipment, training and policies we use to deliver a safe system of work.

These changes range from onboarding new technologies, including artificial intelligence to help our teams better understand hazards and risks, through to adopting a completely new Safety System designed to allow us to record, track and treat emerging issues.

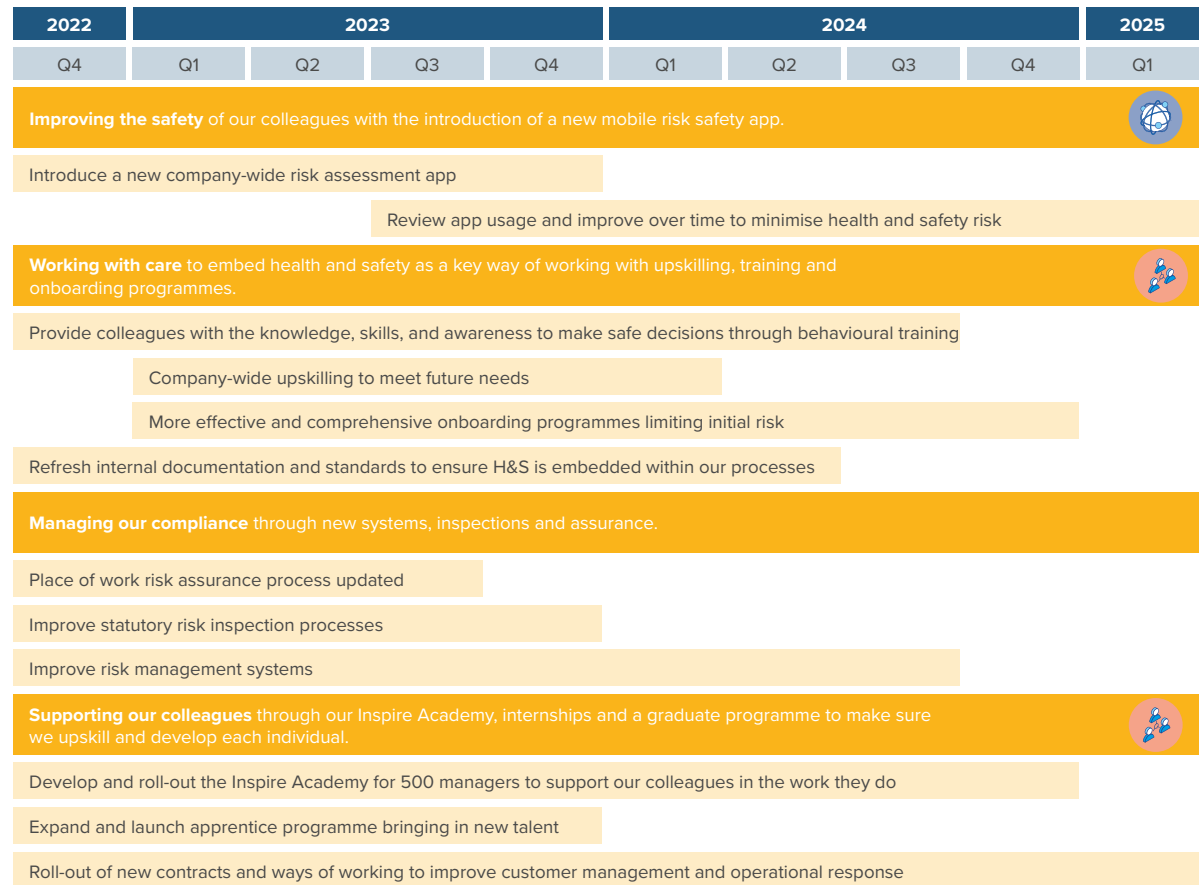
The programme will see the number of safety specialists double and the delivery of a company-wide management training project, arming our leaders with professional safety skills, such as the NEBOSH General Certificate and the IOSH Managing Safety qualification.

Our colleagues and partners will also go through an immersive safety day designed to empower them to challenge anything they feel is unsafe.

Compliance remains one of our top priorities, so we're introducing new systems, inspections, and assurance processes.

We're committed to supporting our colleagues, which is why we've introduced our Inspire Academy, internships, and a graduate programme to develop great skills and retain top talent. We know that investing in our people is essential to our success, and we're proud to offer our employees opportunities to grow and develop their careers with us.

We're creating a safe working environment with empowered and supported colleagues by...



Our performance improvements

Alongside our Turnaround Plan priorities, we're measured against a wider set of metrics, shared by all water companies.

Below are the targets we're aiming to achieve in the next two years, based on where we were in 2022.



Consumer experience

+8%
Improve C-Mex to 7.5/10



Developer experience

+5%
Improve D-Mex to 8.4/10



Water quality

-52%
Improve water quality compliance (CRI score of 3.25)



Leakage

-2%
Leakage (in year) to improve to 94.9 ml/d



Water usage

-2%
Reduce per capita clean water usage (in year) to 129.6 litres per person, per day



Internal flooding

-65%
Reduce internal sewer flooding incidents to 213



External flooding

-20%
Reduce external sewer flooding incidents to 3,171



Supply interruptions

-36%
Reduce average number of minutes a property has their supply interrupted to 6 min



Pollution incidents

-79%
Reduce pollution incidents to 77



Unplanned outage

-56%
Reduce number of unplanned outages to 3.13%



Treatment works compliance

>99%
Compliance for treatment works



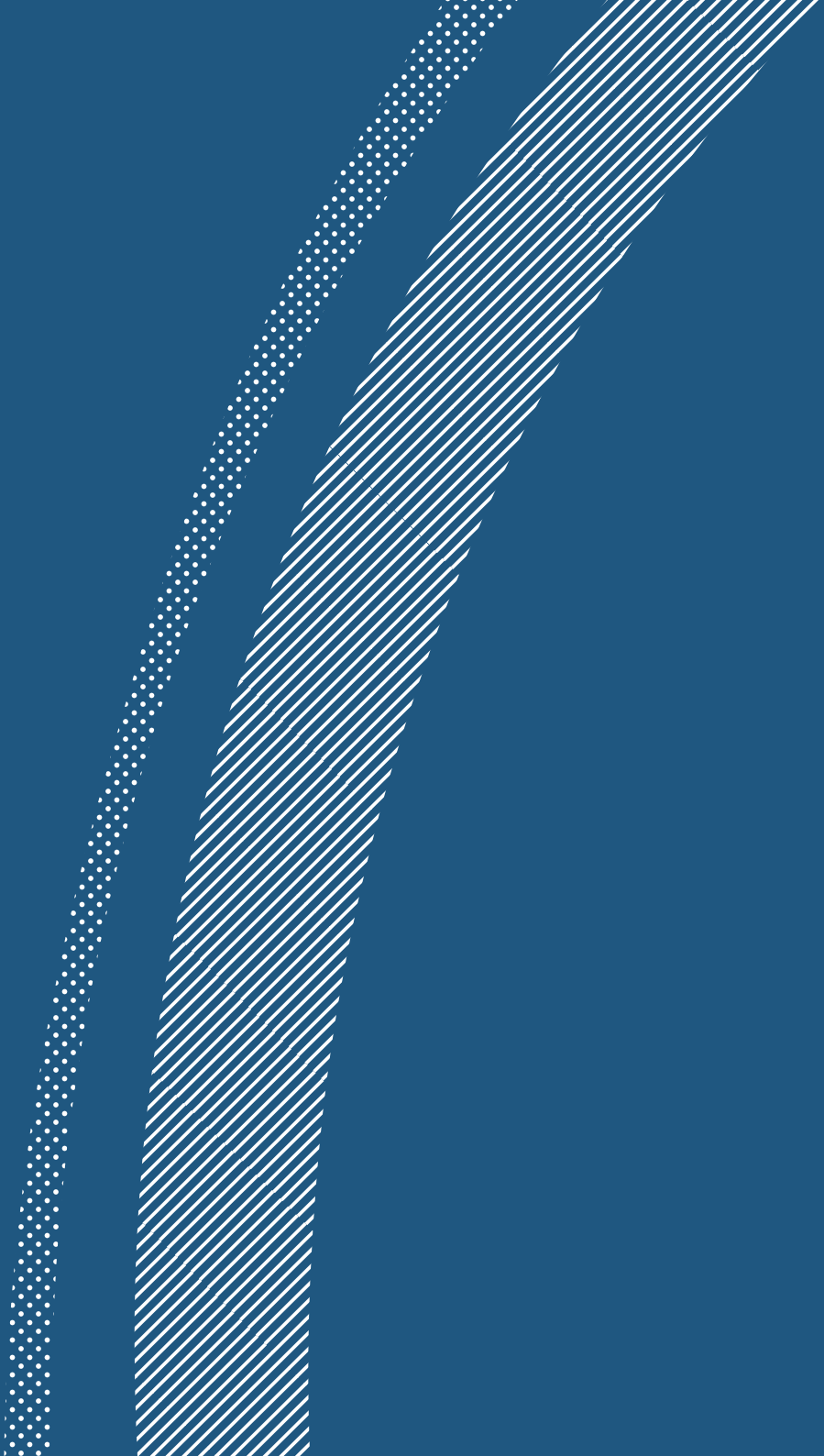
Mains repairs

+48%
Limit mains repairs per 1,000 kms to 150



Sewer collapses

-26%
Reduce sewer collapses to 250



from
Southern
Water® 

The text 'from Southern Water' is stacked vertically in a white, sans-serif font. To the right of the word 'Water' is a graphic element consisting of three stylized, white, wavy lines that suggest water or a breeze.