

To

OfwatPandO@ofwat.gov.uk

From:

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20 October 2021

Dear Sir/Madam,

In response to Ofwat's **Draft Determination of Southern Water's in-period outcome delivery incentives for 2020 -21**

Whilst we are grateful that Ofwat is holding Southern Water to account for its poor performance on water delivery to its customers through the yearly determinations of in-period outcome delivery incentives; and its recent £90 million fine for sewage leaks. We are saddened that the report delivered to Ofwat from Southern Water was written before the major leak in St. Leonard's at the end of July 2021.

The Southern Water report submitted to Ofwat will not have taken note of this major leak, which, we understand, is part of what has been a continuing, deliberate act of sewage spillage into the sea when Southern Water cannot cope with the amount of sewage in storm periods. This affects our local fishing industry, tourist industry and all those who use the beach, swim in the sea or use their bathing huts. There is also the negative impact on the sea wildlife and onshore plant life.

Whilst we understand that our weather systems have changed significantly recently, this does not excuse Southern Water from looking after and upgrading its water delivery and wastewater treatment networks as it is required to, and indeed committed itself to for many years; but instead focused on reducing costs, making profits and pay outs to investors of £57bn since 1989 (according to research by David Hall and Karol Yearwood of Greenwich University). A company that has paid scant heed to the cleanliness of its drinking water, and to the environmental impact of strategic decisions taken at board level - where the Environment Agency was deliberately misled over these leaks and measurements of water - has got off lightly with only having to improve performance by 33% by 2025, and to reduce incidents to 19 per 10,000km as shown in your *PR19 Final Determinations document*, (Ofwat PR19 online). If we are truly to make a step change in environmental quality then there has to be a harder push on these targets.

To us this level of improvement, whilst perhaps seen to be realistic for this company to achieve, is surely too little too late when all efforts and resources need to be put to improvement of waste water and sewage cleaning, along with the amount of leaks from the pipes.

I see that we as customers are to get rebates on our bills over the next 20–2025 period, and that Southern Water have been asked to increase the investment in waste control, and I would ask that Ofwat continue to put pressure on this company to increase its investment and spend. Also to ensure the new owners, and main investor Macquarie, deliver on their promises to customers and on the environment that they set out in their letter dated 9 August 2021 from Leigh Harrison, Head

Subject: Re: response to draft determination of Southern Water's in-period outcome delivery incentives for 2020-2021
Date: 21 October 2021 13:42:35

Apologies, one of the figures in my letter to you above is wrong. It is the total payout by all water companies to their shareholders that is 57Bn. I apologise for my error. But Southern Water has still returned more than 0.9 billion to its shareholders in the ten years to 2019.

<https://www.theguardian.com/environment/2020/jul/01/england-privatised-water-firms-dividends-shareholders>

with kind thanks. Kate Burton

Kate Burton