

WaterShare+

Annual Report 2026



About this report

This annual report summarises the Watershare+ Group Panel's activities, findings and priorities for the 2025/26 reporting year. Unless stated otherwise, all data and commentary relate to the 2025/26 cycle. The views expressed are those of the panel as an independent scrutiny body and do not necessarily reflect the opinions of individual members.

The Watershare+ Group Panel fulfils the role of providing independent challenge and scrutiny on behalf of customers of South West Water, Bournemouth Water, Isles of Scilly Water and Bristol Water. Under the terms of the acquisition of Sutton and East Surrey Water by Pennon Group plc on 14 June 2024, SES Water retains its own customer and environmental scrutiny panel for the current business plan period, but their co-chairs participate in WaterShare+ to ensure coordinated oversight across Pennon Group. These arrangements will continue through the 2025 to 2030 business plan period.

Our remit is to hold the company to account for its commitments and to make that scrutiny transparent and accessible. This report covers regulatory performance, investment and delivery, customer engagement and the wider WaterShare+ arrangements. Where we refer to "the company" we mean Pennon Group's water businesses collectively; where appropriate we report on South West Water, including Bournemouth Water and Isles of Scilly Water, Bristol Water and SES Water separately to reflect their distinct regulatory and operational arrangements.

WaterShare+ was launched by Pennon Group in 2020 and endorsed by Ofwat, the national economic regulator of water companies. As well as the independent scrutiny provided by the panel, WaterShare+ also includes a unique element linked to company performance: when the company performs better than expected, eligible customers may be offered shares in Pennon Group (or if they prefer, a credit on their water bill). Customers who choose to hold shares may also then receive dividends, and have the rights of any shareholder to a say in decisions the company puts to shareholders. The panel provides independent oversight to help ensure the share scheme is transparent, fair and operated in customers' interests. During the 2025 to 2030 business plan period, the company plans to expand WaterShare+, including to SES Water customers.

This report covers the first year of the 2025 to 2030 price review period, which runs from 1 April 2025 to 31 March 2030. Our aim is plain and practical: to provide clear, jargon-free reporting so customers, regulators and stakeholders can see what is changing, why it matters and how progress will be measured. We welcome feedback and invite readers to use this report to hold the company to account and to inform public discussion about water services in our region.

Contents

WaterShare+ Chair's introduction	4
Chief Executive's reflections	5
Overview of the year	6
Independent panel: championing customer interests	8
Our way of working – what we do and how we do it	10
Listening to customers, shaping our challenge	11
Influencing change for customers and communities	12
Highlights of 2025/26	18
Supporting SES Water customer and the environment	20
From promises to performance	22
Case Studies	
Reliable wastewater services	24
Investing in the future of wastewater service	26
Clean and safe water	28
Investing in future water supplies	30
Emergency planning and investment	32
Performance summary	
Performance summary	34
Future priorities	41
Watershare+ Group Panel	44
Find out more	46

WaterShare+ Chair's introduction

This year has been a turning point for everyone who relies on water services.

Lord Matthew Taylor

Chair of the WaterShare+ Group Panel

New policy, sharper public scrutiny and a stronger push for transparency have changed the landscape. At the same time, customers face real pressures: rising bills, concerns about rivers and beaches, and a clear demand for services that are reliable, affordable and environmentally responsible.

As Chair of the WaterShare+ Group Panel, I have seen how these issues are reshaping company plans and regulatory expectations. Our role is simple and steady: make sure customer voices shape decisions, hold the company to account, and make progress visible where people live. That means testing promises against outcomes, asking for plain-spoken explanations, and insisting on measurable improvements that customers can feel.

Over the past year we have focused on the issues customers raise most often: drinking water safety and resilience, pollution and storm overflows, and support for those struggling with bills. We have challenged the company to translate investment plans into real local benefits, and to report progress in ways that are clear and timely. Where performance has fallen short, we have pressed for root-cause fixes and for better communication after incidents. Where the company has improved, we have acknowledged that too.

Looking ahead, the sector is moving toward more joined-up planning and longer-term investment. That is welcome, but the test

remains practical: will customers see fewer spills, fewer interruptions, clearer information and fairer access to support? We will track delivery closely, using public meetings, independent advice and transparent challenge logs so customers and regulators can see what is changing and why.

I am grateful to the customers, community partners, expert advisers and regulators who contribute to our work. Their insight keeps us grounded and focused on outcomes that matter. The WaterShare+ Group Panel will continue to press for accountability, clarity and tangible improvements so that the promises of reform become everyday realities for people across our region.



Chief Executive's reflections

Keith Haslett

Chief Executive Officer, Pennon Group

I was delighted to join Pennon Group as Chief Executive Officer in April 2026, at an important moment both for the Group and for the wider UK water sector.

Although I have only been with the business for a short time, I have already spent significant time meeting colleagues across our regions, visiting operational and capital delivery sites, and listening carefully to our customers and stakeholders. Those conversations have helped me build a clearer understanding of Pennon's businesses and reinforced a consistent message: customers want better performance, greater transparency and action they can see. As Pennon Group enters a new era under my leadership and transitions into the AMP8 regulatory period, we do so with a clear understanding of both the opportunities and challenges ahead. Over the next five years, we will deliver the largest investment programme in our history,

investing £3.2 billion to improve water quality, strengthen resilience, reduce pollution and support customers. This represents a significant opportunity to deliver lasting improvements for customers, communities and the environment.

The role of the WaterShare+ Panel will become even more important as we deliver that programme. Independent customer challenge strengthens decision-making, improves transparency and helps ensure we remain focused on the outcomes that matter most to the communities we serve. The Panel's willingness to ask difficult questions, challenge performance where improvement is needed, and recognise progress where it is being made is something I greatly value.

I would like to thank all Panel members for the time, expertise and commitment they have dedicated throughout the year. Their contribution provides an invaluable perspective on the issues that matter most to customers and helps ensure those voices are reflected in the decisions we make and their work will continue to shape our approach to some of the issues that matter most to customers, including drinking water quality, leakage, pollution incidents, storm overflows, affordability and customer service.

I am excited and privileged to lead Pennon Group and look forward to working closely with the WaterShare+ Panel in the years ahead. Together, we have an opportunity to deliver meaningful improvements for customers, communities and the environment, and to continue building the trust that underpins everything we do.



Overview of the year

The first year of delivery

This has been an important year for WaterShare+ and for the customers and communities whose interests we represent. It marks the beginning of the 2025 to 2030 business plan period, when attention has shifted from developing commitments to understanding how they are being delivered in practice. Customers are seeing significant changes in their bills and rightly expect those investments to lead to better services, stronger environmental performance and greater resilience for the future.

The environment in which the company is operating remains challenging. Public concern about water quality, pollution, storm overflows, affordability and trust in the sector continues to be high. At the same time, climate change, ageing infrastructure, population growth and increasingly extreme weather are creating additional pressures across the water industry. While these challenges are real, customers expect the company to respond effectively, communicate openly and demonstrate that it is delivering on the commitments it has made. Throughout the year, the panel has focused on the issues that matter most to customers. We have looked beyond investment announcements and activity updates to understand whether people are beginning to see and experience tangible benefits. Our scrutiny has covered drinking water quality, resilience of supply, leakage, pollution, storm overflows, wastewater performance, affordability, customer service and environmental improvement. We have also explored how effectively lessons are being learned from incidents and whether good practice is being shared across the wider Group.

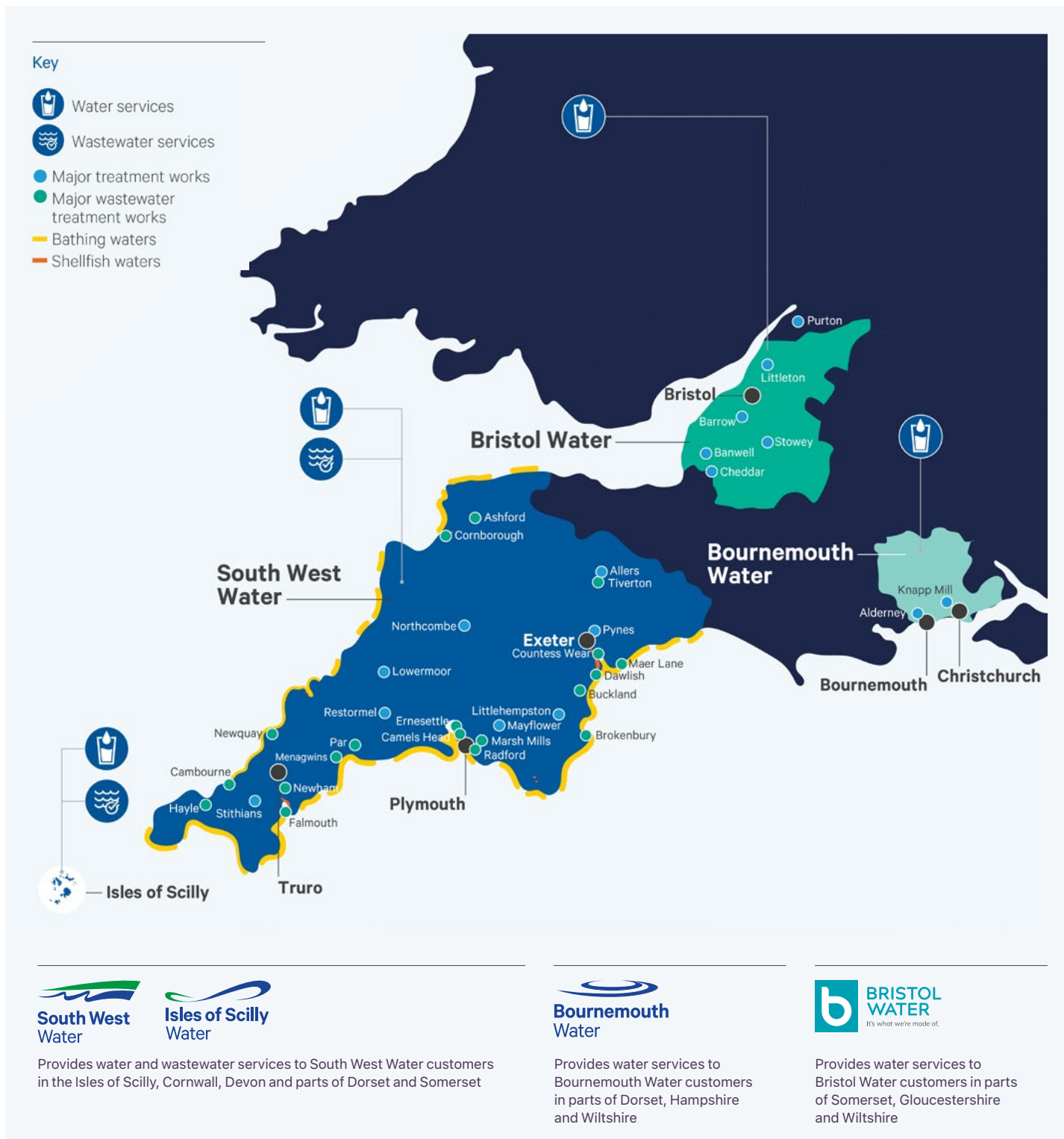
The picture that emerges is mixed. There have been some encouraging signs of progress. Bathing water quality at established sites has remained

strong, storm overflow spills and durations have reduced, pollution incidents have fallen, more customers are receiving affordability support, and environmental programmes such as biodiversity and catchment management continue to develop. We have also welcomed efforts to improve engagement with customers through public meetings, regional events, site visits and clearer explanations of complex plans and programmes.

At the same time, several areas remain a concern. Leakage, supply interruptions, customer contacts about water quality, burst mains, household water consumption, pollution incidents, storm overflows and aspects of customer experience continue to require significant improvement. The overall performance picture shows that progress is not yet being delivered consistently across all areas that matter most to customers. For communities, these issues are not simply regulatory measures or technical indicators. They affect confidence in essential services, the health of rivers and beaches, the reliability of water supplies, and whether support is available when it is needed most.

Customer insight has remained central to our work. Public meetings, customer questions, research, customer contact data and site visits have all influenced the issues we prioritise and the questions we ask. Customers have consistently told us they want clear explanations, timely information and confidence that their concerns are being listened to and acted upon. This is particularly important at a time when many households are feeling financial pressure and expectations of the sector remain high.

One of the strongest themes to emerge this year has been the importance of moving beyond reporting activity to demonstrating real-world impact. Independent assurance provides



confidence that information is accurate and reliable, but customers are ultimately interested in what is changing and whether services are improving. The panel therefore expects to see clear evidence that investment is reducing risk, improving outcomes and strengthening confidence.

Looking ahead, our role remains to provide independent, constructive and robust challenge on behalf of customers and communities.

We will recognise progress where it is evident, but we will also continue to question, probe and hold the company to account where improvement is needed. The opportunity for the years ahead is clear: to demonstrate that significant investment and ambitious commitments are leading to visible improvements for customers, communities and the environment. That is the measure against which we will continue to assess progress.

Independent panel

Championing customer interests

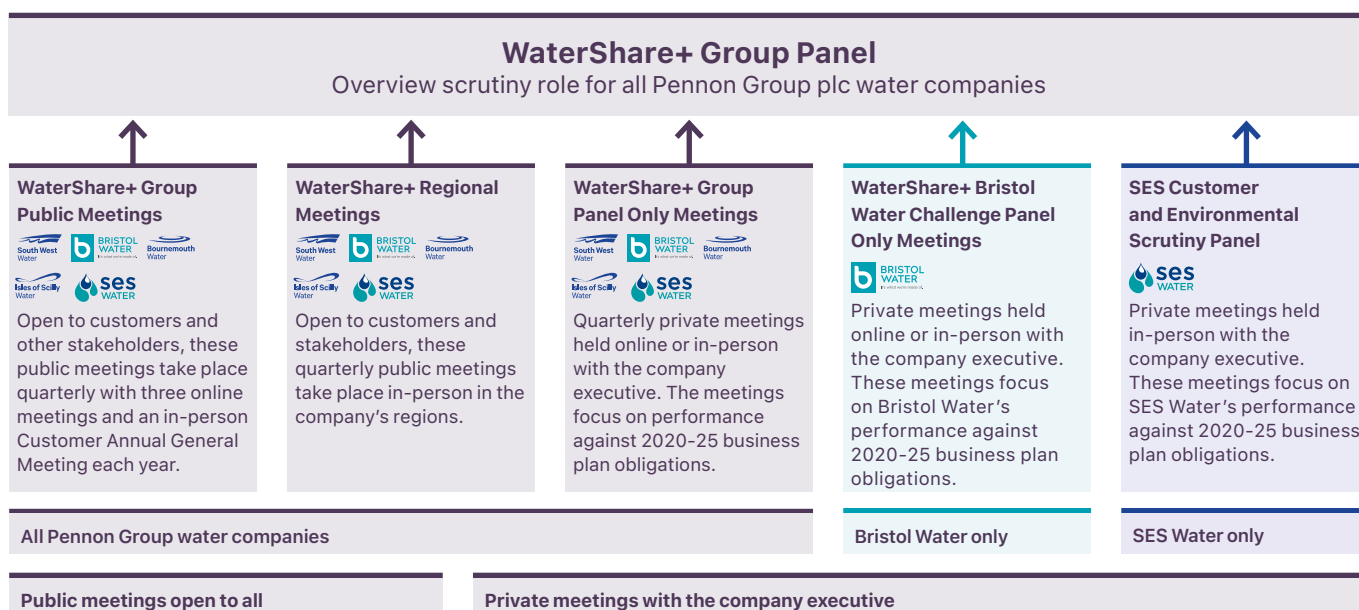
The WaterShare+ Group Panel provides an independent voice for customers, helping to ensure their interests are heard and considered at every level. Recognised by Ofwat as the independent challenge group for South West Water, we scrutinise performance, raise customer concerns and press for clear, accurate and transparent reporting.

Our remit covers South West Water, Bournemouth Water, Bristol Water and SES Water. Together, these companies serve diverse communities across the South West, Bournemouth, Bristol and Sutton and East Surrey. The panel works on behalf of customers and wider stakeholders to ensure that long-term investment and day-to-day services reflect the issues that matter most to the people and places the company serves.

This role is particularly important in the water sector, where customers cannot choose their supplier. Independent challenge helps provide accountability in the absence of competition. We review performance in detail, test the evidence provided by the company and challenge whether regulatory requirements and customer expectations are being met.

The panel has 11 independent members representing Bournemouth, Bristol, Cornwall, Devon and Sutton and East Surrey. Members bring experience from customer advocacy, policy, water operations, charity, technology, finance, consumer affairs and environmental sustainability. Our scrutiny is strengthened by advisers from the Consumer Council for Water, the Environment Agency and Natural England, who regularly attend meetings and provide valuable insight. Their expertise informs our work, but the views expressed in this report are those of the panel alone.

Our role is not only to scrutinise, but to support improvement. We work constructively with the company where this helps secure better outcomes, while maintaining our independence and holding the company to account for delivery. As the 2025 to 2030 business planning process moves into delivery, our focus is on whether the promises made to customers are being translated into measurable benefits for customers, communities and the environment.





WaterShare+ Public Meeting Site Tour
Mayflower Water Treatment Works,
Roborough near Plymouth, Devon

Our way of working

What we do and how we do it

The panel works through regular private meetings, public engagement and ongoing dialogue with senior company leaders. This gives us the opportunity to review performance, test the evidence behind reported progress and challenge whether the company is delivering its commitments in a way that reflects customer priorities.

During the year, we held 22 panel meetings. Private meetings allow us to question senior executives, including the chief executive, in detail on performance, investment, customer service and areas where progress has fallen short. They also allow us to review information that may be commercially sensitive at the time, while ensuring our challenge is robust, informed and properly evidenced.

These sessions are a key part of our scrutiny. They allow us to explore issues in depth, ask for further information, test the reasons behind company decisions and press for clear answers where performance or customer experience is not good enough.

The panel has access to the information and people needed to carry out this role effectively, including strategic plans, performance data, expert advisers, senior executives and direct access to the independent technical auditor, Jacobs, which has confirmed that the company's reporting is reliable and accurate.

We maintain an action and challenge log, which captures the questions, feedback, information requests and issues raised through our scrutiny. Over the past year, the panel raised 96 actions. Most have been completed, and we continue to monitor outstanding items to ensure they are fully addressed.

With the 2025 to 2030 business plan now in place, our scrutiny has shifted from shaping the plan to testing delivery. We have challenged the company on whether performance and investment commitments are on track, whether delivery reflects customer priorities, and whether the right balance is being struck between environmental improvement, service quality and affordability. The panel expects clear evidence that commitments are leading to practical improvements. We will continue to recognise good progress where it is evident, but we will also be clear where performance falls short or where customers are not yet seeing the benefit of promised investment. We thank the company for engaging openly with the panel, particularly where performance has been challenged or customers have raised concerns.



Listening to customers

Shaping our challenge

Listening to customers is central to the panel's work. We focus on the issues that matter most to customers, local communities and the environment, and use what we hear to challenge the company on decisions, actions and performance.

In 2025/26, seven of our panel meetings were open to the public. These included regional events in Bristol, Cornwall and Devon, as well as the Customer Annual General Meeting in Bournemouth. Public meetings give customers and stakeholders the opportunity to speak directly to the panel and the company, ask questions and raise concerns. Questions can be submitted in advance or raised during the meeting, and the company provides written responses so that issues are recorded and followed up.

The Watershare+ Group Panel AGM gave customers the chance to engage directly with senior leaders and operational teams. Twenty-eight customers attended, and the day included a visit to Alderney Water Treatment Works. Discussions covered water quality, housing growth, metering, investment in water treatment and reducing water use. Customers also met teams working on affordability, support for vulnerable customers and environmental programmes, and received free water-saving devices. Feedback from those who responded to the post-meeting survey was very positive, with all respondents saying they felt welcomed, respected and valued.

Customers have also told us they want to better understand how water and wastewater services work in practice. In response, the panel supported guided visits to key sites, including Countess Wear Sewage Treatment Works near Exeter and Newham Sewage Treatment Works near Truro. These visits helped customers learn

more about sewage treatment, storm overflows, external flooding and the investment needed to improve performance.

Customer insight does not come only from meetings and visits. Water companies are required by Ofwat to carry out regular research, and the panel uses this evidence to test whether customer views are being properly reflected in company decisions. During the year, we also scrutinised insight from the Consumer Council for Water, the independent statutory watchdog for water consumers in England and Wales, through its Water Voice panels. These survey results provide regular evidence on changing customer views and issues such as drought and water use, and act as an important barometer of customer trust, satisfaction and affordability.

The panel has also engaged with Consumer Council for Water on how Water Voice reporting could be strengthened. In particular, we have emphasised the importance of clear sample sizes and ensuring that qualitative, directional insight is not presented in a way that could be mistaken for statistically representative quantitative evidence. This is especially important where results are broken down between South West Water, Bristol Water and Bournemouth Water, or by customer group or experience. At that level, respondent numbers can become small and uneven, creating a risk that apparent positives, negatives or trends are overinterpreted unless the underlying base sizes and limitations are clearly shown.

Together, public meetings, site visits, customer questions and independent research help shape the panel's agenda. They ensure our challenge remains grounded in real customer experience and focused on the areas where improvement matters most.

Influencing change

For customers and communities

The role of independent challenge groups is changing. Alongside scrutinising company performance and local business plans, panels are increasingly acting as strategic advocates for customers. This means engaging directly with public policy, regulatory consultations and calls for evidence where decisions could affect long-term investment, bills, service standards and environmental outcomes.

This year, the panel responded to a number of important sector-wide consultations. Our focus throughout has been to ensure that the views of customers, communities and the regions we represent are properly considered as the water sector responds to increasing scrutiny, public concern and the need for long-term reform.

Cunliffe Review: Independent Water Commission review of the water sector

The review, chaired by Sir Jon Cunliffe, was widely seen as the most significant review of the water industry since privatisation in 1989. It was established at a time of intense public concern about water quality, pollution, investment, regulation, company performance and customer bills.

For the panel, the review was an important opportunity to speak on behalf of customers and communities in the region and to help shape the future direction of the sector. We welcomed the review as a serious attempt to address long-standing challenges and to consider how the water sector should be regulated, funded and held to account in future.

Our submission closely aligned with many of the Commission's findings. In particular, we supported the need for a clearer national strategy, stronger long-term planning,

more joined-up regulation and a greater focus on outcomes that matter to customers and the environment.

In our response, we emphasised that water companies are only one part of a much wider system. Agriculture, highways, development, climate change and other pressures all affect water quality, flooding and environmental outcomes. We therefore supported a more joined-up, catchment-based approach, with clearer leadership and fairer allocation of costs.

Customers should not be expected to carry an unfair share of the burden. We continue to support the principle that those responsible for pollution should contribute to addressing it. We also highlighted the importance of meaningful customer engagement, transparency and local priorities, particularly in regions such as the South West, where the cost of maintaining and improving water and wastewater services can place additional pressure on customers.

We called for greater flexibility to support innovation and nature-based solutions, alongside stronger protection for customers who struggle to pay, including consideration of a national social tariff.

Since submitting our response, we have continued to follow regulatory and policy developments closely. We have attended briefings, engaged with senior leaders and challenged the company on issues such as adaptive price controls and regional planning. Our aim is to ensure that future decisions about investment and delivery are shaped not only by technical and regulatory requirements, but also by what customers need, value and can afford.



Ofwat Consultation to Develop Climate Change Principles

Another important area of policy engagement during the year was Ofwat's consultation on its Climate Change Principles. The consultation sought views on a flexible, principles-based framework to guide how water companies respond to climate change, covering both mitigation and adaptation.

The panel welcomed Ofwat's focus on climate change and submitted a response as a companion to Pennon Group's formal response. We supported the need for climate change to be embedded in long-term planning, company governance and decision-making, while recognising that water companies face different regional risks and circumstances.

In our response, we endorsed Pennon Group's four main recommendations: that the principles should align with existing climate resilience frameworks; that clear national standards for resilience are needed; that climate risk should be understood across sectors and infrastructure systems; and that there must be a clear plan

for funding climate resilience, taking account of economic costs, benefits and customer willingness to pay.

We also said that real examples would help customers see what the principles mean in practice. Clear timelines are also important, so customers can understand when climate-related action will happen, how it links to promised service improvements between 2025 and 2030, and how future investment decisions may affect bills and services.

A central theme in our response was the need for leadership beyond individual water companies. Water companies have an important role to play, but Ofwat, Defra and other public bodies must also help create the conditions for these principles to succeed. No single company can build the level of public understanding, trust and behaviour change needed on its own.

We also supported the need for greater alignment between regulators and across sectors. Climate change does not affect water in isolation. It has implications for energy,

Influencing change

For customers and communities

transport, homes, communities, land use and the wider environment. For customers, the case for change needs to be clear, joined up and relevant to their daily lives.

The panel also encouraged Pennon Group to go further in how it presents its own climate work. While recognising that the company already has a clear approach through its business plan, water and wastewater plans, climate adaptation reporting and biodiversity strategy, we asked it to consider developing a dedicated Climate Change Strategy. We believe this would help customers, stakeholders and the panel better understand how the company's work on mitigation, adaptation, resilience, nature-based solutions and affordability fits together.

Ofwat's final principles aligned with many of the points raised by the panel and by the company, particularly around the need for aligned pathways, integrated action, cross-sector interdependencies, transparent reporting, circular economy approaches and active customer engagement.

While Ofwat's final principles strengthened the focus on customer engagement and the Consumer Involvement Rule, the panel will continue to challenge for clear leadership, practical implementation and transparent communication about how climate-related decisions affect customers, bills, resilience and the environment.

For the panel, this work reinforced the importance of putting customers at the centre of climate-related decisions. Climate resilience will require long-term investment, behaviour change and difficult choices about affordability, service standards and environmental outcomes. Our role is to continue challenging the company to make those links clearer, to ensure

that climate-related plans are practical and affordable, and to test whether decisions reflect the needs of current and future customers.

Ofwat's consumer involvement in company decision-making rule

Another significant area of work has been Ofwat's new rule on consumer involvement in company decision-making, which took effect on 1 April 2026. The panel strongly supports the aim of giving customers a clearer voice in important decisions that affect their bills, services and protections.

At a time when trust in the sector remains under pressure, this is an important step towards making customer involvement more consistent, visible and meaningful.

From the outset, we advocated for independent challenge groups to have a formal role in this process. We believe WaterShare+ provides a strong model for combining customer insight, independent scrutiny and constructive challenge. During the year, we worked with the company to review and strengthen how the WaterShare+ programme supports the new rule.

This work has helped create a more focused approach, with greater emphasis on projects that have a material impact on customers. It gives panel members earlier opportunities to question, shape and challenge proposals before decisions are finalised. It also strengthens the relationship between the panel, senior executives and the company board, helping to ensure that customer interests are considered throughout the decision-making process.

For the rule to be effective, customer involvement must influence real decisions about bills, service levels, environmental improvements and support for customers in vulnerable circumstances.

It should also include learning from past decisions, so companies can show how customer views have shaped future action.

The WaterShare+ panel is well placed to support this. We draw on customer research, complaints data, public meetings, regional insight and our own scrutiny to test whether proposals reflect customer needs. By combining local knowledge with independent challenge, we help ensure that customers are not only listened to, but have a real influence on the company's direction.

This work goes beyond compliance. It is central to how we hold the company to account and how we seek to improve outcomes for customers, communities and the environment.

The Consumer Council for Water commissioned the consultancy Indepen: to review how independent challenge groups can be made more effective across the water sector

The panel contributed to the review, which explored how groups such as WaterShare+ can build on best practice, strengthen scrutiny of company plans and performance, and help

ensure that customer and environmental priorities are reflected in future decisions.

We welcomed the focus on strengthening the role of independent challenge groups. At a time when public trust in the water sector remains under pressure, effective independent challenge has an important role to play in ensuring that companies understand and respond to the needs of customers and communities.

In our response, we emphasised that challenge groups should not be seen only as part of the five-year price review process. Scrutiny of business plans remains important, but the most effective groups work continuously, providing ongoing challenge on company performance, customer priorities, investment choices and the delivery of commitments.

In our view, this wider role is essential if customer voices are to influence decisions as they are being developed, rather than only after proposals have already been formed.



Influencing change

For customers and communities



Site Tour, Alderney Water
Treatment Works, Bournemouth

We also highlighted the importance of recognising local and regional priorities. National research and sector-wide engagement are valuable, but they cannot always capture the different circumstances faced by customers in individual regions. Independent challenge groups are well placed to bring this local perspective into company decision-making, drawing on customer research, complaints, public meetings and direct engagement with communities.

A key theme in our response was that independent challenge groups need to be both independent and properly empowered. This means having clear expectations from regulators, access to senior leaders and relevant information, and the ability to challenge across the full range of company activity where decisions may affect customers.

It also means companies being able to demonstrate how they have listened and responded to challenge, including where this has influenced decisions at Board level.

We supported the view that Ofwat has an important role in setting clear expectations for how companies should work with their challenge groups. If independent challenge is to be effective, companies must know that regulators will take the quality of that challenge, and the company's response to it, seriously.

Our response also stressed that challenge groups should support, rather than replace, direct engagement with customers. Through public meetings, customer forums and scrutiny of company research, panels can help ensure that customer views are heard, tested and reflected in decisions. This is especially important where choices involve difficult trade-offs between bills, service levels, environmental improvements and long-term investment.

The final Indepen report reflected a number of these themes, including the distinctive role challenge groups can play, the importance of company-level knowledge, the need for regulator support, and the value of continuous, constructive challenge.

For the panel, this work reinforced our view that independent challenge must go beyond compliance. It should help ensure that customers and communities have a meaningful influence on the decisions that affect them, and that companies can be held to account for how those decisions are made.

Shaping plans that affect customers and communities

Alongside our work on public policy and regulatory consultations, the panel continued to use its regular meetings with the company to influence strategy, delivery and customer outcomes. During the year, we considered a wide range of issues, including water resources, community funding, communications and brand, sustainability and customer strategy. We also reviewed the company's performance commitments each quarter, testing whether delivery plans were realistic, whether risks were being managed and whether the likely impact on customers was properly understood.

Two long-term programmes were of particular interest to the panel.

1 The first was the company's Drainage and Wastewater Management Plan for Cornwall and Devon, which looks ahead to 2050. This plan is important because it sets out how the company intends to adapt its wastewater network to meet the pressures of climate change, population growth and changing customer expectations. Panel members have engaged with the company both in-person and online to help shape the developing approach and to ensure the plan



Thousands of native trees planted along the River Usher near Combe Martin to absorb rainwater, reduce agricultural run-off and improve bathing water quality.

remains focused on the needs of customers and communities. We welcomed the emphasis on reducing storm overflows, preventing sewer flooding and protecting bathing waters. We also supported the use of nature-based solutions and innovation, including opportunities for local authorities, landowners and other partners to help manage flood risk and surface water more effectively. We will continue to scrutinise how this long-term plan is developed and delivered.

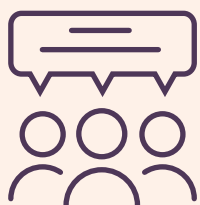
2 The second area was the company's pollution incident reduction plan. The panel reviewed the draft plan and provided constructive challenge to make it clearer and more accessible for customers. We asked the company to provide more local information, so people could better understand what is happening in their area and how they can get involved. This challenge helped shape the first customer summary of the pollution incident reduction plan. The result was a clearer and more practical explanation of the company's approach, making it easier for customers and communities to understand the action being taken to reduce pollution and improve environmental performance.



Highlights of 2025/26

This year, the panel strengthened its public engagement, increased transparency around its scrutiny and focused on the issues customers told us mattered most: affordability, water quality, storm overflows, resilience and clear communication.

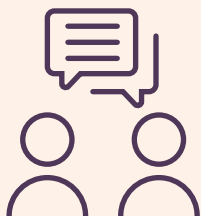
Panel activities



7

Events

in Bournemouth, Bristol, Cornwall and Devon listening to over 200 customers



5

Meetings

between the panel and company executives to scrutinise performance and future plans



96

Actions

raised by the panel including questions, comments, information requests and issues highlighted



2

Challenges

raised by the panel that requested changes to the company's work or plans following panel scrutiny*

Public meeting engagement with customers[†]



91%

agreed that the information presented was clear and easy to understand



96%

agreed it is important that the public can take part in such discussions



87%

agreed that, overall, they were satisfied with the session



96%

would like to participate in similar events in future

* The panel challenges company to engage with responsible media outlets to explain reality of the water resources issues to customers and raise awareness for this reality without inducing panic in customers.

[†]This data is from the 73 of 236 attendees who responded to surveys sent out after our public meetings in 2025/26

About South West Water, Bristol Water and SES Water



£3.2bn

Investment
programme for 2025-30**



> 1B

Litres of water
delivered to 4.3 million
people every day



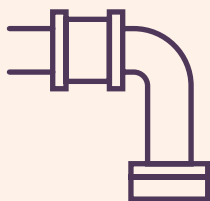
41

Reservoirs



66

**Water Treatment
Works**



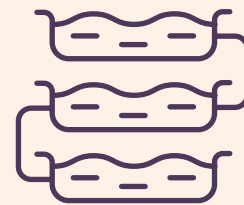
25,300km

Kilometres
of sewers



A network

length that could wrap around
the circumference of the world



655

**Wastewater
Treatment Works**



You Said, We Did

The panel thanks all customers who attended meetings in 2025/26 and shared their views. Your feedback has directly shaped improvements to our sessions:

- Longer public meetings: We extended public meetings from three to four hours, giving customers more time to ask questions and discuss key issues.
- Clearer guidance for online meetings: We improved instructions for online participation, making it easier for customers to fully take part.
- Accessibility: Based on feedback about daytime sessions, all public meetings in 2026/27 will be held in the evening to improve accessibility.

Highlights of 2025/26

Supporting SES Water customers and the environment



Sutton and East Surrey Water has its own independent challenge group, the Customer and Environmental Scrutiny Panel. Its co-chairs also sit on the WaterShare+ Group panel, helping to ensure that local scrutiny is connected to wider oversight across Pennon Group.

The SES Water panel brings together independent members who bring a wide range of experience and insight. Their role is to challenge and support SES Water in delivering excellent customer service and environmental performance, now and in the future. This includes representatives from local environmental organisations, alongside advisers from the Environment Agency and the Consumer Council for Water. Together, they provide challenge and support to SES Water, ensuring that decisions reflect the needs of customers, communities and the environment in Sutton and East Surrey.

The water sector is at an critical juncture. The Independent Water Commission review, chaired by Sir Jon Cunliffe, has strengthened the focus on trust, regulation, environmental performance and long-term resilience. Against this backdrop, the SES Water panel has continued to act as a trusted critical friend to the company, challenging its plans while supporting improvements that benefit customers and the environment.

This year has also been a period of change for SES Water as it continues to develop within Pennon Group. The panel has spent time challenging how the company balances the benefits of wider group alignment with the need to protect local focus, local accountability and the distinct needs of Sutton and East Surrey customers.

We are pleased with the progress made in how the company listens, responds and improves. Customer care has remained central to the panel's work. Members have continued to focus on the end-to-end customer experience, including how the company listens to calls, uses customer feedback and supports those who may need extra help. The panel has also challenged the company on maintaining high water quality standards and preparing for future risks, including PFAS, often known as forever chemicals.

Water resources are a particular priority in this water-stressed region. The panel has reviewed the company's water resource planning, smart meter roll-out and customer campaigns, with a focus on helping customers use water more efficiently in ways that are practical, fair and effective. Climate transition planning has also been a key area of scrutiny, with the panel pressing for clear evidence that ambition is supported by credible delivery.

Pollution incident preparedness and response has been another important focus. The panel has challenged the company on prevention, governance, learning and culture, as well as on the quality of customer communications during incidents. Clear, timely and consistent information is essential when services are disrupted, and the panel will continue to press for lessons from incidents to be built into future planning.

Looking ahead, the panel's focus will continue to evolve. It will support and challenge SES Water as it develops its climate transition plan, contributes to future regional water resource planning and explores innovation in water efficiency, environmental performance and customer engagement. The panel will also maintain

Bough Beech Reservoir, located near Edenbridge in Kent, supplies about 15% of the raw water for SES Water.



The SES Water Customer and Environmental Scrutiny Panel

The scrutiny panel brings together 11 independent members with expertise in environmental protection, customer service and support for vulnerable customers. Members include representatives from organisations such as Water Resources South East, Surrey Wildlife Trust and South East Rivers Trust, with additional input from the Environment Agency and the Consumer Council for Water.

The panel meets every quarter to provide constructive challenge and support, helping to ensure SES Water delivers for both customers and the environment. Its work is informed by local knowledge and regional priorities.

To strengthen accountability, the panel chairs also sit on the WaterShare+ Group Panel, ensuring local views and priorities help shape decisions made at Group level.

a strong focus on customers who need additional support, particularly as the company develops its customer strategy and digital services.

Digital innovation brings opportunities, but it must improve access rather than create new barriers. Services must remain easy to use for all customers, and vulnerability must be understood broadly and addressed proactively. The panel will continue to challenge SES Water to deliver a consistent, high-quality customer experience across all contact points, ensuring that operational performance is matched by trust, confidence and care.

*Steve Crabb and Alison Thompson,
SES Water Co-Chairs*

From promises to performance

Testing whether commitments are delivering for customers

Pennon Group's water companies make commitments to Ofwat, to customers and to the communities they serve. They are promises to deliver ambitious levels of service, which if not met, over a five-year period, may impact customer bills. But these are not simply regulatory measures. The promises reflect the Group's strategic priorities, which are informed by listening to customers and stakeholders: the safe and reliable water, improved environmental performance, fair support, better service and long-term resilience.

The 2025 to 2030 period begins with major investment and high expectations. South West Water, Bournemouth Water, Bristol Water and SES Water must now show that these promises are delivering better services, stronger environmental performance and clearer support. The panel recognises the pressures on water companies, including severe weather, drought, bursts, repairs and ageing networks. However, those pressures do not remove the company's responsibility to plan well, respond quickly and communicate clearly when customers are affected.

Our view is that performance must be judged by outcomes, not activity. Customers do not measure success by programmes under way or investment announced. They judge it by whether services are reliable, rivers and beaches are cleaner, leaks and bursts are dealt with effectively, bills are fair, and help is easy to access.

The panel looks beyond the reported numbers, tests the evidence and challenges whether the company is taking the right action where performance falls short. Although many commitments carry financial penalties, our focus is whether regulatory incentives drive real improvements in service, environmental outcomes and customer confidence.

We worked to ensure Pennon Group's 2025 to 2030 commitments reflected customer priorities, including drinking water quality and reliability, pollution and storm overflows, affordability, customer service, net-zero and environmental improvement.

Our recent five-year review of the 2020 to 2025 reporting period sharpened our focus for this new reporting period. It showed a mixed picture. There was clear progress in affordability support, preventing sewer flooding inside homes, and bathing water outcomes supported by more open information. These areas showed what can be achieved through sustained focus, operational discipline and practical support.

However, the review also identified areas where performance fell short. Pollution incidents remained too frequent, wastewater treatment works did not meet expected standards in several years, leakage reduction was too slow, and customers experienced too many interruptions and concerns about water that did not look or taste right. These issues go directly to trust, environmental protection and confidence in essential services.

For the first year of the new reporting period, the panel is particularly concerned that South West Water, Bristol Water and SES water have all missed targets in five common areas: per capita consumption, leakage, customer contacts about water quality, repairs to burst mains, and operational greenhouse gas emissions. These measures affect resilience, water efficiency, customer confidence, asset health and environmental responsibility, and need sustained attention.

	South West Water	Bristol Water	SES Water
Performance commitments that met target**	5*	3	6
Performance commitments that underperformed	15*	9	6
Total	20	12	12

*excludes Embodied GHG emissions as this has no annual target

**excluding all measure of experience metrics (C-MeX, D-MeX and BR-MeX)

Bristol Water
Challenge Panel

SES Water Customer and
Environmental Scrutiny Panel

We are also disappointed that the benefits expected from bringing companies together have not yet been fully realised. Bristol Water's strengths in leakage and customer experience, and SES Water's experience in drinking water quality and investigating failures, should support improvement across the Group. We have seen some movement, but not enough, and expect clearer evidence that learning is being shared and applied.

Our analysis focuses on the areas where customers are most likely to feel the impact. We pay particular attention to performance that is off target, inconsistent, worsening, or linked to significant incidents. We also look at whether the company is identifying root-causes, rather than relying on short-term fixes or explanations after the event.

The panel has access to advisers and independent assurance, including direct access to the company's independent technical auditor, Jacobs. This gives us confidence in reported data, but assurance is only the starting point. Accurate reporting must be matched by visible action where performance is not good enough.

The panel expects performance information to be clear and understandable. Technical measures, regulatory definitions and different reporting cycles should not obscure the real picture. Ofwat's simpler framework should help comparison, but customers still need to see what is improving, where performance is falling short and what is being done about it.

The performance summary that follows sets out headline areas of performance across the Group, including where targets are being met and where performance is under pressure.

The report then uses customer-focused case studies to explore what this means for customers, communities and the environment, focusing on reliable wastewater services, storm overflows and pollution, drinking water quality and resilience, emergency planning, customer communication and support.

This section then provides more detailed commentary on South West Water, including Bournemouth Water and the Isles of Scilly. Bristol Water and SES Water have their own local challenge and scrutiny arrangements, and their panels publish their own summary views. Where this report comments on Bristol Water, SES Water or Pannon Group as a whole, this is made clear. As first-year performance is published, the company faces significant challenges across its regions. We welcome the sharing of good practice, but further consistency is needed. Where performance is off track, we expect clear plans, strong leadership and urgent action to bring delivery back to the standard customers have been promised.

Overall, the company starts this period with credible plans, significant investment and clearer priorities. Credibility will depend on delivery. The panel will look for fewer interruptions, leaks, bursts and pollution incidents, alongside better treatment works performance, stronger water quality, clearer communication and support that reaches customers without delay. We will continue to report from the customer perspective: recognising good performance where it is evident, and being clear where progress is too slow. The test for the coming year is whether the company can show early, visible and measurable improvement in the areas where performance has been weakest.

Reliable wastewater services

Protecting customers and communities

Reliable wastewater services are a basic expectation for customers. When the wastewater network fails, the impact can be immediate, distressing and damaging. Internal sewer flooding is one of the most serious service failures a customer can experience, and South West Water has generally performed well in this area. However, external sewer flooding and wider wastewater disruption remain a concern for many communities, particularly where repeated incidents affect homes, streets, local rivers and confidence in the company's ability to prevent future harm.

The panel's recent five-year review of the 2020 to 2025 business plan highlighted the need for continued focus on wastewater resilience, pollution prevention, treatment works performance and customer communication during incidents. As the company enters the 2025 to 2030 business plan period, we expect to see clear evidence that lessons from previous performance are shaping investment, operational decisions and customer support.

The severe wastewater flooding experienced in Stithians and Ponsanooth in early 2026 shows why this issue matters. Following a series of heavy storms, including Storm Chandra and Storm Ingrid, the drainage and sewerage network was overwhelmed by groundwater and surface water. Residents reported sewage and debris escaping from manholes, affecting roads, gardens, driveways and some homes. The disruption caused significant distress and inconvenience, with customers describing the impact on daily routines, school travel, use of household facilities and confidence in local infrastructure.

Customer asked

"How is South West Water addressing growth and ensuring it has the capacity to supply customers?"

Company replied

"South West Water plans carefully to make sure water and wastewater services can support existing communities and future growth. We work with local authorities, developers and planning partners so that infrastructure needs are understood early and investment can be targeted where capacity is needed. Our planning is aligned with Local Plans, which usually look 10 to 15 years ahead. We use population forecasts, growth projections and climate change modelling to assess future demand and identify where network improvements may be required. As a statutory undertaker, we have a duty to support new development. Although we cannot refuse planning applications, we work with developers and local authorities to help shape proposals and secure appropriate infrastructure. We also encourage sustainable drainage, including separating surface water from wastewater systems and using Sustainable Drainage Systems where appropriate. This helps reduce pressure on sewers and lowers the risk of flooding and storm overflows. Alongside this, we are investing in treatment sites, network upgrades, maintenance and long-term resilience so services can meet customer needs now and in the future."

The environmental impact was also a major concern. Emergency discharges affected the nearby River Kennal at Ponsanooth, and local stakeholders expressed frustration that these communities had experienced drainage problems over many years. While the severity of the early 2026 incident was exceptional, residents and local representatives questioned whether earlier action could have reduced the risk.

Stithians and Ponsanooth, Cornwall

South West Water responded by deploying tankers and progressing flood reduction work, including pipe upgrades in Hendra Road and Foundry Road. The company also undertook wider network activity to reduce flows reaching Stithians, including removing hydraulic restrictions, sealing manholes, identifying illegal surface water connections and carrying out targeted CCTV surveys. Cornwall Council granted an emergency permit to upsize sewer lining in infiltration-prone areas. Some works are expected to continue beyond 31 March 2026, so this case study reflects an incident and response that remain in progress.

Panel members attended a local drop-in session and heard directly from residents about their experiences.

The panel has also been kept informed through regional and private meetings. However, given the seriousness of the incident, we would expect a full review once the immediate works and investigations are complete.

That review should explain what happened, what inspections took place, whether there has been a comprehensive internal review across relevant business functions, and what protocols have changed as a result. It should also assess the quality of customer engagement across all channels, including how the company has responded to calls for compensation. The panel will continue to seek assurance that the company has learned from this incident and that actions taken will reduce the risk of similar failures in future.



Countess Wear Wastewater Treatment Works, Exeter, is South West Water's largest sewage treatment facility

Investing in wastewater the future of wastewater services

Reducing storm overflows and protecting bathing waters

Customers expect wastewater services to protect homes, communities, rivers and bathing waters. Reducing storm overflow spills is one of the issues customers most often raise with the panel, particularly in coastal communities where water quality matters to local people, visitors, businesses and the wider environment. For this reason, the panel has taken a close interest in how South West Water is delivering major wastewater investment, including the scheme now underway in Dawlish.

South West Water is investing significantly in Dawlish as part of its wider programme to reduce storm overflows and pollution. The work is designed to increase capacity in the wastewater network, reduce the amount of rainwater entering the sewerage system and help protect local bathing waters during periods of heavy rainfall.

The scheme includes two new underground storm storage tanks at The Lawns and Sandy Lane. Together, these will provide around 4.4 million litres of additional storage, helping to hold excess storm water when the network is under pressure and reducing the likelihood of untreated discharges. The company is also separating surface water from household wastewater, repairing pipework to reduce groundwater infiltration, and installing new pump chambers and control systems to improve network resilience. This type of investment matters because customers do not judge performance only through regulatory measures. They judge it through what they see locally: whether beaches are protected, whether spills reduce, whether construction is well managed and whether the company communicates clearly before, during and after disruption.

The panel has reviewed the Dawlish scheme as part of its wider scrutiny of the company's capital delivery programme. Panel members met with the company's chief engineering officer and the Amplify Alliance, the engineering

Customer asked

"When will you stop sewage discharges into rivers/sea?"

Company replied

"We recognise the strong public concern about sewage discharges into rivers and the sea and share your commitment to improving environmental outcomes. Reducing storm overflows and pollution is a top priority for the company and our customers and is regularly discussed by the WaterShare+ panel at public meetings to ensure plans and progress are transparent.

While it is not currently possible to eliminate storm overflows entirely, South West Water is taking significant action to reduce their impact. We are investing £760 million through our ambitious wastewater investment programme that will deliver real improvements in our regions. Our target is to meet the government's milestone of no more than 10 spills per overflow per year by 2030 – a decade ahead of the original requirement. Recent progress includes a 17% reduction in storm overflow spills year on year, and pollution incidents have halved in the eight months up to August 2025. We are developing tailored, local solutions across all regions, focusing on the sites that matter most to communities. By 2030, we aim to address every storm overflow affecting bathing waters or shellfish sites, ensuring each overflow spills no more than 10 times a year. We know there is more to do, and remain committed to ongoing investment, transparency, and working with customers and partners to deliver cleaner rivers and seas."

South West Water is investing £17.5 million in Dawlish as part of its ambitious £760 million investment programme to reduce storm overflows and protect bathing water quality



partnership delivering the work, to understand how the programme is being planned, managed and communicated. We were encouraged by the attention given to community engagement, including work with Dawlish Town Council, local businesses, residents and the mayor.

The company has used drop-in sessions, dedicated webpages and local video updates to explain what is happening and why. It has also sought to plan work around local events and the summer season, recognising the importance of tourism, local trading and access to public spaces. This is important because even necessary investment can cause disruption, and customers are more likely to accept that disruption when they understand the purpose, timetable and expected benefits.

As construction moves towards completion, the panel's focus is shifting to outcomes. Reinstating public spaces well will matter to local residents and businesses, but the longer-term test will be whether the scheme delivers measurable reductions in spills and improved environmental protection.

The panel will continue to monitor progress in Dawlish and will look for clear evidence that the investment is delivering the benefits promised. This includes better storm water management, reduced pressure on the wastewater network, improved protection for bathing waters and clear communication with the community as the scheme moves from construction to operation.

Clean and safe water

Restoring supplies, rebuilding trust and supporting the local community

Customers expect their drinking water to be clean, safe and reliable. When something goes wrong, they also expect the company to act quickly, communicate clearly and support the communities affected. The water quality incident in the Brixham area during the summer 2024 caused significant disruption for local customers and understandably affected public confidence in South West Water.

Throughout the eight-week response period, the WaterShare+ panel was kept informed of the actions being taken by the company. The immediate priority was to restore safe drinking water supplies and protect customers. Around 800 employees and supply-chain partners worked on the response, which included flushing 30 kilometres of water mains 27 times, and installing advanced ultraviolet and filtration systems to help protect water quality.

The panel recognises the scale of the operational response and the work carried out by company staff and partners. However, we also recognise the considerable impact on customers in Brixham and the surrounding area. People experienced real disruption to their daily lives, businesses were affected, and many customers understandably lost confidence in the service they should be able to rely on.

Incidents of this nature are extremely rare in the UK water industry, but they must be taken seriously. For the panel, the key test is not only how the company responds at the time, but how it learns from what happened, how it prevents similar incidents in future, and how it rebuilds trust with customers and communities over the longer term.



The panel has also followed the company's work to support local recovery. This has included working with community partners, including the English Riviera BID Company, to help encourage visitors back to Brixham and the wider Torbay area. As part of this work, South West Water invested £1.2 million in a Marketing Recovery Fund to support campaigns aimed at rebuilding confidence in the local visitor economy.

This community recovery work matters because the impact of a water quality incident goes beyond the immediate issue of drinking water. It can affect local businesses, tourism, confidence in a place and trust in the company. Customers and communities need to see practical action, clear communication and a long-term commitment to putting things right.

Trust in drinking water quality remains an important issue for customers. At WaterShare+ public meetings, customers continue to ask whether their water is safe to drink. These meetings provide an important opportunity for customers and panel members to question senior executives directly and to hear how the company is managing water quality risks.

Customer asked

"What are you doing to increase water supply in the South West? Are we building new reservoirs?"

Company replied

"Ensuring a reliable water supply for the South West is a key priority as climate change, population growth and demand increase. Our approach is to increase available water resources while also helping customers use water more efficiently.

One of the most significant options being developed is the Cheddar 2 Reservoir and Transfer Project. This would create a second reservoir alongside the existing Cheddar Reservoir, adding 8.2 billion litres of storage. It would allow water to be transferred through Wessex Water's network into South West Water's network, helping strengthen supplies for customers in Devon during drought or water scarcity.

The project could also reduce pressure on rivers and the natural environment during dry periods by giving greater flexibility in how water resources are managed. Subject to approvals, construction could begin in the next regulatory investment period.

We are also progressing other long-term water resource projects, including the Mendip Quarries Reservoir and the Poole Effluent Recycling option.

Increasing supply is only part of the solution. We are also expanding smart metering, reducing leakage, supporting water efficiency, upgrading around one third of water treatment works in Devon and Cornwall, and developing a more connected regional water grid. Together, these measures will help provide a more reliable and resilient water supply for future generations."

The company has explained through these meetings that it is ranked in the top quartile of water and wastewater companies for drinking water quality, based on the Compliance Risk Index, the key measure used by the Drinking Water Inspectorate.

This performance is important, but the panel's view is that technical measures alone are not enough to rebuild trust. Customers also need clear explanations, visible accountability and confidence that lessons from Brixham have been fully understood and acted on.

The panel will continue to scrutinise the company's response to the Brixham incident and its wider approach to drinking water quality. Our focus will be on the lessons learned, the steps being taken to reduce future risk, the quality of communication with customers, and the support provided to communities when things go wrong.

For customers, clean and safe water is not only a regulatory requirement. It is one of the most basic expectations of the service. The panel will continue to challenge South West Water to maintain high standards, communicate openly and rebuild confidence with the customers and communities it serves.

Investing in future water supplies

Improving drinking water quality and resilience for customers

Customers expect their drinking water to be clean, safe and reliable every day. They also expect water companies to plan ahead, invest in modern treatment systems and make sure supplies remain resilient as demand, environmental pressures and climate risks change over time.

Customer asked

"Why have bills increased above inflation? What's the breakdown of cost?"

Company replied

"We know rising bills are a real worry for many customers, especially with the ongoing cost of living pressures. The panel has challenged us to make sure bills are fair, accurate, and that support is available for those who need it most. We take this seriously and are working to keep bills as manageable as possible. Bills have increased above inflation for several reasons. Ofwat's five-year price control and our approved business plan require phased increases to fund record investment and meet environmental and service obligations. Annual inflation also affects bills, as it is applied each year. Your bill covers fixed costs like network upkeep, meter maintenance, and social support, as well as variable charges based on water use or rateable value. Much of the extra revenue is being invested directly back into services – £2.5 billion over five years, including £760 million to reduce storm overflows, and further investment in tackling leakage, improving water quality, and delivering net-zero commitments. We understand these changes can be difficult, and we are committed to being transparent about where your money goes, continuing to invest in better services, and providing extra help for customers who need support. If you have concerns about affordability or need assistance, please reach out – we are here to help."

The panel has closely monitored South West Water's £85 million investment in Knapp Mill Water Treatment Works, recognising its importance for customers in Christchurch and parts of the New Forest. The scheme is designed to improve drinking water quality, strengthen resilience and ensure the treatment works continues to meet customer needs into the future.

Knapp Mill has a long history of water treatment, dating back to the early 1900s. This major upgrade reflects how water treatment technology has developed over time and how investment is being targeted to deliver safer, more reliable and more sustainable services for customers. The new treatment processes include ozone treatment, ceramic membrane filtration and granular activated carbon. These will build on the existing slow sand filtration, ultraviolet disinfection and chlorination already used at the site. Together, these improvements will help remove impurities more effectively and further protect the quality of drinking water supplied from Knapp Mill.

This kind of investment matters because customers do not only judge drinking water services by whether water meets required standards. They also want confidence that the company is investing in the right places, maintaining essential assets and planning ahead to reduce future risks.

The panel has taken a particular interest in how the company has engaged with local customers and stakeholders throughout the project. Four community engagement evenings were held with residents in June 2025, September 2025, March 2026 and June 2026. Quarterly newsletters have also been hand-delivered to around 148 nearby households, helping to ensure that local residents receive regular information about the scheme.

Knapp Mill Water Treatment Works, Dorset

Clear communication is important, particularly for major infrastructure projects that may affect nearby communities. Customers are more likely to understand and support investment when they know why work is needed, what is being done, how long it is expected to take and what benefits it will deliver. The panel also recognises the importance of linking this investment to wider customer priorities. Through scrutiny of the company's business plan, we have focused on whether proposed investment reflects what customers have told the company matters to them, including safe drinking water, reliable supplies, environmental protection and long-term resilience.

Modern treatment technologies can also support sustainability by improving water quality while helping the company operate more efficiently.

This is important as the sector responds to climate change, population growth and the need to manage water resources carefully. As the project progresses, the panel's focus will remain on delivery and outcomes. The key test will be whether the investment delivers measurable improvements in drinking water quality, operational resilience and customer confidence.

The panel will continue to monitor progress at Knapp Mill and will look for clear evidence that the investment is delivering the benefits promised. This includes improved treatment capability, reliable supplies for customers in Christchurch and parts of the New Forest, effective local communication and a stronger, more resilient water supply for the future.



Knapp Mill Water Treatment Works, Christchurch, supplies drinking water to around 163,000 customers across Bournemouth Water's area, including Christchurch, Ringwood, New Milton, Lymington and parts of the New Forest

Emergency planning and investment

Supporting customers and protecting essential services during severe weather

Customers expect water services to be reliable, but severe weather can place sudden pressure on essential infrastructure. When storms cause disruption, customers need clear information, practical support and confidence that the company is acting quickly to restore services.

Storm Gorette caused widespread disruption across the region on 9 January 2026. In Cornwall, a power outage at Wendron Water Treatment Works led to a loss of water supply for up to 15,960 properties. Some customers were affected for up to four days.

Customer asked

"How are we addressing leaks?"

Company replied

"Reducing leakage remains one of the highest priorities, and we are making strong progress through increased investment, new technology and enhanced operational activity. During 2025/26, we delivered record levels of leak detection and repair, helping to reduce water loss across the network, particularly during periods of extreme weather. We use advanced technology, including artificial intelligence, predictive monitoring and acoustic leak detection, to identify hidden leaks and potential pipe failures earlier. Alongside this, our expanding smart meter programme is helping both the company and customers detect leaks sooner and better understand water use. Long-term improvements are being supported through significant investment in replacing ageing water mains and strengthening network resilience. As part of our £3.2 billion investment programme through to 2030, we are upgrading infrastructure, renewing pipes and improving the resilience of the region's water network to help reduce leakage and secure future water supplies."

The panel has taken a close interest in how South West Water plans for and responds to major incidents of this kind. Storm events can affect large numbers of customers at short notice and can create particular risks for people with additional needs, including those who rely on water for medical, mobility or care reasons.

During the incident, South West Water provided regular updates to customers through text messages, automated calls, online platforms and local media. The company also worked to provide safety advice, explain the nature of the disruption and keep customers informed about response activity as the situation developed.

The panel recognises the importance of this communication. During an incident, customers need to know what has happened, what they should do, when they can expect further updates and where to go for help. Clear communication can reduce uncertainty and help customers make informed decisions, particularly when disruption lasts more than a few hours.

The company also prioritised support for customers with additional needs. This included proactive checks, targeted outbound contact, signposting to urgent support and coordination with local partners. Working with councils, housing providers and community organisations helped messages reach affected customers and supported a more joined-up response.

This type of targeted support matters because severe weather does not affect all customers in the same way. Some people may be more vulnerable during a loss of supply, and the company must be able to identify and support those customers quickly.

Storm Goretti, Cornwall



During Storm Goretti in January 2026, South West Water set up an emergency bottled water station at the old Flambards car park in Helston, Cornwall after uprooted trees severely damaged major water mains connected to the Wendron Water Treatment Works.

The Priority Services Register and wider customer data are important tools in helping the company understand who may need additional help.

The panel was particularly interested in how the company balanced broad public communication with more focused support for those most at risk. The response included regular updates, practical welfare advice, triage of customer contact, self-serve information and direct support for customers who needed more urgent help.

For the panel, the key issue is not only how the company responds during a storm, but how it uses each incident to improve future planning. Severe weather is expected to become more frequent and more disruptive as climate pressures increase. This means emergency planning, power resilience, customer communication and support for vulnerable customers must continue to improve.

The panel will continue to monitor how South West Water learns from Storm Goretti and how those lessons are reflected in future investment and emergency planning. Our focus will be on whether the company is strengthening the resilience of key sites, improving the speed and clarity of customer communications, and ensuring support reaches those who need it most.

Storm Goretti showed how quickly severe weather can affect essential services. It also reinforced the importance of planning, investment and local coordination. The panel will continue to challenge the company to ensure that future responses are effective, customer-focused and informed by the experience of those affected.

Performance summary



South West Water: From targets to customer outcomes

This section summarises the panel's view of South West Water's performance during the year, including the key areas of progress, concern and challenge. Our focus is not simply whether individual targets have been met, but what the results mean for customers, communities and the environment.

The headline position is concerning. South West Water's performance is expected to result in around £3.5 million of outperformance payments and around £47 million of underperformance payments. While some areas have performed well, the overall balance shows that too many commitments have not been delivered to the level customers were promised.

Performance commitments matter because they are linked to the outcomes customers should experience in return for their bills. Where the company performs better than its target, it may receive a financial reward. Where it falls short, it may incur a financial penalty. These arrangements, known as outcome delivery incentives, are set by Ofwat to encourage companies to improve service, environmental performance and resilience.

For the panel, the financial outcome is important, but it is not the only test. A reward or penalty does not, on its own, explain whether customers are seeing better service or whether environmental outcomes are improving. Our role is to look behind the numbers, consider the trend, and challenge whether the company is taking the right action where performance is weak.

The measures for residential customer satisfaction and developer services are not included in this summary because they are determined and published later in the year. The panel will consider those results when they are available, particularly because customer experience remains a critical measure of whether services are improving in practice.

The following section reviews each of South West Water's 24 performance commitments. For each one, we explain what the commitment measures, why it matters to customers, the current performance position, the panel's view, and the estimated reward or penalty for the year.

The commitments are grouped under four priorities:

1 Water quality and water resilience

2 Tackling storm overflows and pollution

3 Delivering for customers and addressing affordability

4 Reaching net-zero and enhancing environmental gains

Taken together, these results provide an early test of whether the company is moving from promises to performance. The panel will recognise strong delivery where it is evident, but where performance is off track we expect clear explanations, strong recovery plans and evidence that action is leading to measurable improvement.

A more detailed review is available in the company's Annual Performance Report and Regulatory Reporting (APR) at [sbb-water_apr_2026-170726-final.pdf](#)

1. Water Quality and Resilience

Performance Commitment	Explanation: What happened	Panel view	Met / Not Met
Business Demand			
Total water used by non-household properties like businesses, public sector sites, and charities. This covers active water use, empty buildings, and slow-meter adjustments.	Target not achieved, with an estimated underperformance payment of £0.716m. Demand remained above baseline, mainly due to prolonged dry and warm weather and higher use by sectors such as agriculture and tourism. Demand management helped, but not enough to meet the target.	Business demand remains a key scrutiny area because it affects resilience and fairness for customers. The panel welcomes smart metering, customer engagement and tariff measures, and has held a focused deep dive on the company's plans. We now expect clear evidence that these actions are reducing demand while reflecting the needs of business customers.	Not Met
Compliance Risk Index			
A measure of how well the company is meeting drinking water quality standards at the points where water is treated, stored and supplied to customers. A lower score means better performance.	Target not achieved, although performance remained within the acceptable range, so no underperformance payment applies. Drinking water compliance remained strong overall, supported by monitoring, maintenance and investment in treatment processes.	The panel is satisfied that performance remained within the acceptable range, but notes that the target was still missed. SES Water continues to perform strongly in drinking water quality, and the panel expects the company to make better use of this experience across the Group. We want to see clearer evidence that learning from incidents, investigations and customer impact is being shared and used to support continued improvement.	Not Met
Customer Contacts about Water Quality			
The number of times customers contact the company about the taste, smell or appearance of their drinking water. A lower number of contacts means better performance.	Target not achieved, resulting in an estimated underperformance payment of £0.362m. Customer contacts improved compared with the previous year but remained above target. Higher contact levels were linked to water quality issues affecting taste, smell or appearance, together with increased reporting following operational challenges. The company is taking action to improve treatment performance, network management and customer communication.	The panel has seen improvement during the year but remains concerned that customer contacts about water quality continue to exceed the target. Customers judge water quality by what they see, taste and smell at the tap, not just by regulatory compliance. We expect the company to demonstrate that its interventions are delivering sustained reductions in customer contacts and improving customer confidence.	Not Met
Discharge Permit Compliance			
A measure of whether water treatment works are meeting the environmental permit limits for discharges from their sites. A higher percentage means better performance.	Target not achieved, with compliance at 98.10%, resulting in an estimated underperformance payment of £0.899m. The shortfall was linked to a small number of site-specific failures, with weather pressures and asset constraints contributing to performance. The company has increased monitoring, maintenance and investment at affected sites to support recovery.	The panel is satisfied that overall compliance remains high, but the target was still missed and environmental permits must be treated as a core standard, not an aspiration. Even isolated failures can affect confidence in how sites are managed. We expect the company to show that the causes of failures have been addressed, that learning is shared across sites, and that investment is leading to sustained compliance.	Not Met
Leakage			
Water is supplied to customers through thousands of kilometres of underground pipes. This measure looks at the volume of water lost from the company's network, including losses from service reservoirs, trunk mains and customer supply pipes.	Target not achieved, resulting in an estimated underperformance payment of £6.125m. Leakage reduced by 8.8% against the three-year baseline, but not enough to meet the target. The company says performance was affected by extreme and changing weather, including long dry periods followed by freeze and thaw conditions, which increased bursts and put pressure on the network. Record levels of leak detection and repair activity were delivered, supported by investment in mains replacement, technology and smart metering.	The panel is disappointed that the leakage target was missed, despite the reduction achieved during the year. Leakage remains a key concern because customers are being asked to use water more carefully, and they expect the company to show the same commitment by reducing water lost from its own network. We want to see sustained investment in prevention, detection and repair, clearer reporting of progress, and stronger evidence that action is leading to long-term reductions in leakage. Meeting future targets will be important for customer trust, water resilience and wider demand reduction.	Not Met

Continued on the next page →

1. Water Quality and Resilience (Cont)

Performance Commitment	Explanation: What happened	Panel view	Met / Not Met
Repairs to Burst Mains			
A measure of repairs to burst mains, reported per 1,000 km of the company's treated water main network. It includes both proactive and reactive repairs where water has been lost. A lower number means better performance.	Target not achieved, resulting in an estimated underperformance payment of £4.132m. Performance was 169.3 repairs per 1,000 km. The company says the increase was driven by higher burst frequency, linked to changing weather conditions, including dry ground followed by freeze and thaw cycles. Increased repair activity shows a strong operational response, but also highlights continuing challenges with network resilience.	The panel will consider this measure carefully because burst mains can directly affect customers through supply interruptions, traffic disruption and visible water loss. Where repairs are not completed quickly enough, customers expect clear communication, timely action and evidence that the company is reducing repeat failures. We will look for stronger evidence that investment in asset health, maintenance and response planning is improving performance.	Not Met
Per Capita Consumption			
A measure of average household water use, shown as litres used per person per day. A lower level of water use means better performance.	Target not achieved, resulting in an estimated underperformance payment of £1.604m. Household water use increased by 1.2%, mainly due to sustained hot and dry weather, which increased demand. The company is expanding smart metering, customer engagement and water efficiency activity, but these measures have not yet delivered the reduction needed to meet the target.	The panel has examined the increase in household water use and accepts that reducing consumption is a national challenge, but it remains an important area of scrutiny because it affects long-term water resilience and fairness for customers. We support smart metering, water efficiency campaigns and customer engagement, and have reviewed the company's plans through regular briefings and deep dives. The panel now expects clearer evidence that these actions are changing behaviour, reducing demand and helping customers use water more efficiently.	Not Met
Serious Pollution Incidents			
A measure of the most serious pollution incidents linked to water supply sites, treatment works or the water distribution network. Category 1 incidents are the most serious, followed by category 2.	Target not achieved, resulting in an estimated underperformance payment of £3.114m. Three serious pollution incidents were recorded during the year. This included one category 1 incident at Menagwins, the company's first since 2018, following a chemical spill linked to equipment failure. This occurred as a result of a delivery by a third party to the company's treatment works. Two category 2 incidents were also recorded, down from four in the previous year.	The panel is disappointed that a category 1 incident occurred, given the seriousness of the impact and the importance of preventing repeat failures. While the reduction in category 2 incidents is welcome, serious pollution incidents remain a major concern for customers and communities. We have pressed the company on the lessons learned from Menagwins and expect clear evidence that site controls, contractor oversight and emergency response arrangements have been strengthened.	Not Met
Unplanned Outage			
A measure of how much water production capacity is unexpectedly unavailable during peak demand periods. A lower percentage means better performance.	Target not achieved, resulting in an estimated underperformance payment of £0.289m. Performance was 2.39%, compared with a target of 2.14%. Most of the shortfall was caused by an unplanned outage of a slow sand filter at Bournemouth's Knapp Mill water treatment works. The company expects the asset to return to service in 2026/27, which should support performance returning to target or better.	The panel notes that the target was only narrowly missed and that most of the impact came from one specific asset. We welcome the planned return of the Knapp Mill filter to service, but expect the company to ensure that lessons from the outage are applied more widely. Strong maintenance, asset resilience and early risk identification remain important to reduce the chance of similar events affecting customers in future.	Not Met
Water Supply Interruptions			
The average number of minutes customers are without water when supply interruptions last three hours or more. A lower number of minutes means better performance.	Target not achieved, resulting in a significant estimated underperformance payment of £9.769m. Performance was affected by severe weather, bursts and network failures linked to ground movement and temperature changes. Two major incidents had a particular impact: an unplanned outage at Dousland water treatment works and storm damage to the pumping station supplying Wendron water treatment works during Storm Goretti, when parts of Cornwall experienced extended power loss. The company managed around 75% of burst events without customer impact, but overall performance remained below target.	The panel is concerned that water supply interruptions resulted in such a significant penalty and had a direct impact on customers. We recognise that some events were linked to severe weather and power disruption, but customers still need timely, clear and proactive communication when their water supply is affected. The panel has sought assurance on the company's response to these incidents and expects stronger evidence that investment in network resilience, asset monitoring and incident planning is reducing both the frequency and length of interruptions.	Not Met

2. Tackling Storm Overflows and Pollution

Performance Commitment	Explanation: What happened	Panel view	Met / Not Met
Bathing Water Quality			
A measure of whether designated bathing waters meet environmental quality standards. A higher level of compliance means better performance.	Performance fell within the 'deadband', where no reward or penalty applies. Bathing water quality remains affected by rainfall, agricultural run off, catchment conditions and storm overflow performance.	The panel welcomes the continued strong performance at established bathing waters, which remains important for customers, visitors, local communities and the region's economy. However, the six newly designated sites present a clear challenge. We expect the company to show how it will improve performance at these locations, while maintaining standards elsewhere. Continued catchment management, investment in wastewater assets, monitoring and partnership working will be important to protect bathing water quality and public confidence.	Met
External Sewer Flooding			
A measure of the number of times sewage escapes outside homes, businesses or other properties, reported per 10,000 sewer connections. A lower number means better performance.	Target not achieved, resulting in an estimated underperformance payment of £3.597m. Performance improved compared with the previous year, but external sewer flooding incidents remained above expected levels. This was mainly due to heavy rainfall and extreme weather, which exceeded network capacity in some locations. Field teams responded quickly to manage incidents and reduce customer impact. The company is investing in network capacity, sewer rehabilitation and improved modelling to identify higher-risk areas.	The panel is disappointed that the company has again failed to meet its performance target for external sewer flooding, particularly given the impact flooding can have on customers, communities and the environment. While we recognise there has been improvement from the previous year and that extreme weather played a role, customers expect the company to build greater resilience into its network and reduce the risk of flooding wherever possible.	Not Met
Internal Sewer Flooding			
The number of times sewage enters a customer's home or business, measured per 10,000 sewer connections. A lower number means better performance.	Target achieved, resulting in an estimated outperformance payment of £1.613m. Performance was 1.20 incidents per 10,000 connections, better than the target of 1.34, although incidents increased compared with the previous year. The company recorded 96 internal flooding incidents and is seeking the exclusion of 28 it considers outside its control, including issues linked to internal manholes, unprotected gullies and clean water rather than sewage. The company continues to invest in reducing sewer flooding through network resilience, blockage prevention and collapse reduction work.	The panel welcomes the company's continued strong performance on internal sewer flooding, which is one of the most distressing service failures customers can experience. Although the target was met, the increase in incidents shows why sustained focus remains essential. We are pleased to see enhanced compensation arrangements for affected customers, but expect the company to continue reducing the risk of flooding through prevention, maintenance and clear support for customers when incidents occur.	Met
Sewer Collapse			
A measure of serious structural failures in the sewer network that affect customers or the environment and require repair or replacement. A lower number of collapses means better performance.	Target achieved, resulting in an estimated outperformance payment of £1.930m. Sewer collapses reduced by 33% compared with the previous year, reflecting targeted work to improve the network and reduce failures. Some risk remains due to the age and condition of parts of the sewer system, with weather and ground movement also contributing to pressure on assets. The company is continuing to invest in sewer rehabilitation, replacement and risk-based maintenance.	The panel welcomes the strong reduction in sewer collapses and the achievement of the performance target. This is important because collapses can disrupt customers, damage the environment and indicate wider asset health issues. We expect the company to maintain this focus through continued investment, proactive monitoring and timely repairs, so that the reduction seen this year is sustained.	Met
Storm Overflows			
A measure of the average number of times each storm overflow is used. A lower number of spills means better performance.	Target not achieved, resulting in an estimated underperformance payment of £5.292m. Spill frequency remained too high, with above-average rainfall, particularly during winter, increasing pressure on the wastewater network. The company reports that storm overflow use and duration are reducing as investment in storage, network separation, monitoring and nature-based solutions progresses. However, performance remains below the level customers and communities expect.	Storm overflows remain one of the Panel's greatest concerns because of their impact on rivers, beaches, coastal communities and public confidence. We welcome evidence that usage and duration are reducing, and recognise the scale of investment under way. However, the company remains significantly off target and customers expect faster improvement. The panel will continue to scrutinise delivery closely, focusing on whether investment is reducing spills at the locations that matter most to communities and the environment.	Not Met

2. Tackling Storm Overflows and Pollution (Cont)

Performance Commitment	Explanation: What happened	Panel view	Met / Not Met
Total Pollution Incidents			
A measure of pollution incidents from the sewer network, including serious and less serious incidents, reported per 10,000 km of sewer length. A lower number means better performance.	Target not achieved, resulting in an estimated underperformance payment of £11.317m. Performance was affected by operational issues, asset failures and weather pressures, particularly during periods of heavy rainfall. The company has published a Pollution Incident Reduction Plan, setting out action to improve asset reliability, maintenance, monitoring and operational response.	The panel remains concerned by repeated poor performance on pollution incidents. This is a key issue for customers, communities and the environment, and improvement must be visible and sustained. We have worked with the company on how its Pollution Incident Reduction Plan is explained to customers, including pressing for a clearer customer summary. We welcome that this has now been produced, but expect the company to show that the plan is reducing incidents in practice, not just setting out future actions.	Not Met

River Water Quality

A measure of the reduction in phosphorus entering rivers from wastewater treatment works. Reducing phosphorus is important because it helps improve river health. This is a non-financial commitment, so no reward or penalty applies.	Target achieved. The company reduced phosphorus emissions in line with its commitment, supporting wider efforts to improve river quality. River health is also affected by storm overflows, pollution incidents, rainfall and agricultural run-off, so continued partnership working across catchments remains important. The company is investing in treatment performance and storm overflow reduction to support further improvements over time.	The panel welcomes the company meeting this target, as reducing phosphorus is an important part of improving river health. However, customers and communities judge river quality by visible and sustained environmental improvement, not by one measure alone. We expect the company to continue showing how investment, catchment partnerships and operational improvements are contributing to healthier rivers over the long-term.	Met
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3. Delivering for Customers and Addressing Affordability

Performance Commitment	Explanation: What happened	Panel view	Ranking
Customer Measure of Experience			
Ofwat's measure of customer experience. It includes feedback from customers who contact the company, as well as wider customer perception surveys. A higher score and ranking means better performance.	Performance remained below the industry average, with a year-end score of 52.27 and an industry ranking of 15th out of 17. Customer feedback highlighted communication, speed of response and issue resolution as key areas of dissatisfaction. Complaints also increased, driven in part by concerns about rising bills and wider cost pressures. The company has increased contact centre resources, reviewed complaint handling and strengthened support for customers who may be struggling to pay.	The panel is disappointed that customer experience remains below the industry average. This reflects what we have heard directly from customers about communication, responsiveness and how well issues are resolved. We have contributed to the company's customer strategy and expect to see clear evidence that planned improvements are making a difference. Customer trust depends on practical, timely and helpful service, especially when bills are rising and customers need support. Sustained improvement in this area must remain a priority.	15th of 17
Developer Measure of Experience			
Ofwat's measure of service experience for developers, including those requesting new connections or infrastructure. A higher score and ranking means better performance.	South West Water achieved a score of 84.37 and maintained its industry ranking of 6th out of 17. This was achieved despite an industry-wide reduction in scores following changes to Ofwat's methodology. Performance was supported by improved digital services, extended customer support and closer working with developers, self-lay providers and new appointments and variations. The company also continued to support regional growth through infrastructure planning and engagement with local planning authorities.	The panel welcomes South West Water maintaining a strong industry position for developer services. This matters because timely and effective support for developers helps enable housing, business growth and wider regional development. We are pleased to see continued investment in digital services, customer insight and engagement with key stakeholders. The panel expects the company to maintain this focus, listen carefully to developer feedback and ensure service improvements are delivered consistently as demand for new connections and infrastructure grows.	6th of 17
Business Customer and Retailer Measure of Experience			
Applies to the 15 monopoly wholesalers and excludes new appointments and variations. Ofwat's measure of how business customers and retailers experience the company's services. It looks at areas such as reliability, communication, responsiveness and overall satisfaction. A higher score and ranking means better performance.	This was the first year of reporting for this measure. South West Water achieved a year-end score of 70.48 and improved its ranking from 14th to 13th out of 15. Performance remained below where it needs to be, with concerns linked to communication, delays in resolving issues, data quality and operational service. Retailer experience improved during the year, supported by stronger working relationships and service improvements. The company's plans for 2026/27 focus on clearer communication, faster resolution, better data quality and stronger market processes.	The panel is concerned that South West Water remains near the bottom of the industry ranking for business customer and retailer experience. Business customers and retailers need reliable service, accurate information and prompt resolution when issues arise. While the improvement in ranking is welcome, it is modest and must now be built on. The panel expects the company to show clear progress in communication, responsiveness and data quality, and to demonstrate that improvement plans are leading to a better experience for business customers and retailers.	13th of 15

4. Reaching Net Zero and Enhancing Environmental Gains

Performance Commitment	Explanation: What happened	Panel view	Met / Not Met
Biodiversity			
Biodiversity measures the environmental gains delivered through habitat creation, restoration and catchment work. These schemes are designed to improve nature, support healthier ecosystems and contribute to better water quality over time.	The company reports that it is on track to meet its target by the end of the regulatory period. Work during the year focused on expanding catchment programmes and nature-based schemes, with benefits expected to build over time as projects mature.	The panel supports the focus on biodiversity because customers increasingly expect the company to protect and improve the natural environment, not simply reduce harm. However, these benefits must be clearly evidenced. We expect the company to show how habitat creation, restoration and catchment work are leading to measurable environmental gains, and to explain progress in a way customers can understand. The panel will continue to monitor delivery to ensure long-term ambitions translate into visible improvements for nature, water quality and local communities.	Met
Embodied Greenhouse Gas Emissions			
This measure looks at the carbon emissions linked to building new assets and delivering capital projects, including materials, construction and supply-chain activity. Lower emissions mean better performance.	There is no in-year target for this measure. The company is at an early stage of embedding lower-carbon design into its capital programme. Some projects still use traditional construction methods, but the company is starting to reduce carbon through better design, material choices and supply-chain engagement. Progress is expected to build over the five-year period as these approaches become more established. The company has also said it will review whether reducing carbon in one area creates other environmental impacts elsewhere.	The panel supports the focus on reducing carbon from major investment programmes, particularly as the company enters a period of significant construction and asset renewal. However, this is an area where customers will need clear and credible information. We expect the company to show how low-carbon design choices are being built into projects, how progress is being measured, and whether carbon reductions are being achieved without creating other environmental impacts. The panel will look for evidence that this commitment is moving from good intention to practical delivery across the capital programme.	N/A (on track for target in 29-30)
Operational Greenhouse Gas Emissions – Wastewater			
This measure tracks greenhouse gas emissions from running wastewater services, including treatment works, pumping and other operational activity. Lower emissions mean better performance.	Target not achieved, resulting in an estimated underperformance payment of £0.122m. Emissions increased by 0.7% against the baseline. Performance was affected by exceptional rainfall, particularly in early 2026, which increased operational demand across the wastewater network. Some improvement was supported by the use of lower-carbon fuel in standby generators and by a sludge recycling contractor switching to lower-carbon fuel for its tanker fleet. The company expects further progress as lower-carbon fuel use, operational efficiency and supply-chain changes develop over the next four years.	The panel has not examined this area in the same depth as other commitments, but recognises its growing importance. Wastewater operations are a significant part of the company's environmental impact and central to South West Water's operational net-zero plans. We will take a closer interest in the Climate Transition Plan, including stakeholder engagement and measures of progress. The panel expects clear evidence that emissions are being reduced in practice through lower-carbon fuels, improved asset operation, maintenance and energy use.	Not Met
Operational Greenhouse Gas Emissions – Drinking Water			
This measure tracks greenhouse gas emissions from drinking water operations, including treatment, pumping and supply. Lower emissions mean better performance.	Target not achieved, resulting in an estimated underperformance payment of £0.595m. Emissions were 4.5% above baseline, mainly due to higher energy use from operational pressures, additional pumping, a delayed treatment works upgrade and slower fleet electrification. The company is investing in energy efficiency, renewable energy and fleet decarbonisation to support future reductions.	The panel expects to give this area greater focus as the company's Climate Transition Plan develops. Drinking water treatment and supply are a significant part of South West Water's energy use, so we expect clear evidence of progress through energy efficiency, renewable energy, lower-carbon operations and fleet decarbonisation.	Not Met

Future priorities

What we will keep under review in 2026/27

2026/27 will be the second year of the 2025 to 2030 business plan period.

The company's four strategic priorities remain clear: building water resources and improving water quality; tackling storm overflows and pollution; driving environmental gains and delivering net-zero; and supporting affordability while delivering for customers. These priorities cover the issues customers raise most often with the panel and the areas where the company now needs to show that investment is leading to better services, stronger resilience and improved environmental performance.

The panel's work in 2026/27 will be shaped by the areas where performance has not yet matched customer expectations. The company has described the current investment programme as the largest in the Group's history, focused on water quality, environmental performance, infrastructure resilience, affordability and customer service. It has also acknowledged that the first year of the new period brought significant operational challenges, including weather extremes, pollution performance, leakage, supply interruptions and the need to rebuild trust following the Brixham water quality incident.

For the panel, the emphasis in 2026/27 will be on evidence of improvement. We will not judge progress simply by whether programmes have started or investment has been announced. We will look at whether customers and communities can see practical change in the areas where performance has been weakest, and whether the company is communicating clearly about what is improving, what remains off track and what it is doing in response.

Building water resources and improving water quality

Water resources and drinking water quality will remain a major area of focus. Customers expect safe, reliable water at the tap, and they also expect the company to plan ahead so that supplies remain resilient as climate pressures, population growth and demand increase. The company has committed to investment in treatment works, lead pipe replacement, water mains renewal, leakage reduction, smart metering and long-term water resource planning. The panel will want to understand whether this work is improving reliability, reducing risk and helping customers have confidence in their water supply.

Water resilience will be especially important. At the time of writing, drought conditions are affecting large parts of England and Wales, with many customers elsewhere facing water use restrictions. This underlines why climate adaptation, leakage reduction, smart metering and water efficiency must remain central to the company's plans. The panel will pay close attention to how the company explains water resource pressures to customers, how it supports water efficiency without placing responsibility solely on households, and how it demonstrates that it is reducing leakage and improving resilience across its own network.

Smart metering will be one of the practical tests of this work. It has the potential to help customers better understand their water use, identify leaks earlier and support fairer demand management. However, the benefits will only be realised if the programme is clearly explained and fairly delivered. We will look closely at customer communication, billing accuracy, use of data, privacy, access to support and

Future priorities

What we will keep under review in 2026/27

safeguards for households with high essential water use, including larger families and customers with medical or care needs.

Tackling storm overflows and pollution

Storm overflows, pollution and wastewater resilience will remain among the panel's greatest areas of concern. The company has reported reductions in storm overflow spills and pollution incidents, and it is investing in wastewater infrastructure, monitoring, storage, overflow improvements and nature-based solutions. However, public concern remains high, and performance in these areas still needs sustained improvement.

The panel will look for evidence that investment is reducing spills and pollution incidents where it matters most to communities, including bathing waters, shellfish waters, sensitive river locations and areas with repeat problems. We will also consider how the company communicates locally before, during and after construction, particularly where major schemes cause disruption but are intended to deliver long-term benefits.

The pollution incident reduction plan will be a key test of transparency and delivery. The panel has already pressed for clearer, more customer-friendly information, and we will continue to test whether the plan is leading to fewer incidents in practice, not simply clearer reporting. We will expect local information, root-cause analysis, action on repeat problem sites and evidence that lessons from incidents are being embedded across the business.

Longer-term wastewater planning will also remain important. Drainage and wastewater management plans look ahead over 25 years and should help the company prepare for climate change, population growth, surface water

pressures and future wastewater demand. The panel will focus on how these long-term plans connect with near-term delivery, particularly in areas affected by flooding, storm overflows or repeated wastewater incidents. Customers need to see how strategic planning translates into local action and, ultimately, into improved outcomes.

Driving environmental gains and delivering net-zero

Environmental improvement and net-zero will need clearer evidence of impact. The company has set out work on biodiversity, Upstream Thinking, nature-based solutions, renewable energy, embodied carbon and operational greenhouse gas emissions. These are important commitments, but customers need to understand what is being delivered, where it is happening and what difference it is making. The panel supports the direction of this work, particularly where environmental investment can also improve water quality, reduce flood risk, strengthen resilience and support local communities. However, we will want to see stronger explanations of how environmental gains are measured and how choices are made between different types of investment. Nature-based solutions can offer real benefits, but they need to be planned, monitored and reported in a way that shows whether they are working.

In 2026/27, we will take a closer interest in the company's climate transition plan, biodiversity delivery, carbon reduction in capital projects and operational greenhouse gas emissions. We will also look at how environmental action is explained to customers. It is not enough to describe programmes or list activities. The company needs to show what has changed as a result, how progress is being measured and how environmental investment supports long-term value for customers as well as for nature.

Supporting affordability while delivering for customers

Affordability and customer service will remain central to the panel's work. The company has acknowledged that bill increases have been challenging for customers, particularly alongside wider cost-of-living pressures. It has committed to a significant support package, improved digital services, clearer billing information and more proactive support for customers in vulnerable circumstances.

From previous years, we know that affordability support only works well if it is easy to find, easy to access and delivered quickly. The panel will look closely at the 2027/28 billing cycle, how bill changes are explained, how customers are signposted to help and whether support reaches people before they fall into difficulty. We will also continue to consider progressive tariff trials and the protections in place for customers with high essential water use.

Customer service will be another important test. When customers contact the company, they need clear information, timely responses and confidence that issues will be resolved. The panel will continue to monitor customer service performance, complaints, communication during incidents and the way the company supports customers who need extra help.

Digital services can play an important role in improving customer experience, but only if they make access easier rather than creating new barriers. The company has reported investment in customer technology and self-service, and the panel will test whether these services are accessible, inclusive and supported by effective non-digital routes for customers who need or prefer personal support.

Cross-cutting priorities

Across all four strategic priorities, transparency will remain a central theme. Customers increasingly expect local, timely and usable information. Tools such as WaterFit Live can help people understand storm overflow activity and potential impacts on bathing waters, but transparency only builds trust when information is clear, explained and connected to action. The panel will continue to press for plain English updates, local information and clearer "before and after" reporting so customers can see what has changed as a result of investment.

The panel will also begin looking ahead to the next reporting and planning cycle for 2030 to 2035. Decisions being explored now, including future water resources, drainage planning, climate resilience, affordability and future tariffs, will affect customers well beyond the current business plan period. We will seek early involvement so that customer views and regional priorities are considered before plans are fixed.

Across all these areas, our test will remain consistent. We will ask whether the company is delivering what it promised, whether performance is improving where it has been weakest, whether customers are being treated fairly, and whether communities can see the benefits of investment where they live. We will recognise progress where it is evident, but we will continue to challenge where delivery is slow, explanations are unclear or customers are not yet seeing the improvements they were promised.

Meet the WaterShare+ Group Panel

Chaired by Lord Matthew Taylor, the WaterShare+ Group Panel comprises 11 independent members who act as advocates for customers and stakeholders across Pennon's water supply regions. The panel brings together expertise from across Devon, Cornwall, Bristol, Bournemouth, and Sutton & East Surrey, ensuring local voices help shape and challenge the company's plans and performance. This report reflects the work of three members who completed their service on the panel during the reporting period. We thank them for their expert contribution, commitment and independent challenge, which have helped strengthen the panel's scrutiny and support better outcomes for customers, communities and the environment. Following their departure, the panel welcomed three new members, bringing fresh perspectives while maintaining strong regional representation.



Lord Matthew Taylor
Chair of WaterShare+ Group Panel

Matthew has championed environmental improvement and a stronger customer voice in the water sector over many years. He professionally advises Government, local authorities and the private sector on planning for sustainable communities, community engagement and the wider environment.



Peaches Golding OBE CStJ
Deputy Chair of WaterShare+ Group Panel and Chair of Bristol Water Challenge Panel

Peaches is His Majesty's Lord Lieutenant for Bristol. She is an experienced Executive and Non-Executive Board member in the private, public and charitable sectors and an Honorary Captain, Royal Naval Reserves.



Anthony Denham
WaterShare+ Deputy Chair for the Bristol region, Deputy Chair of Bristol Water Challenge Panel

After 35 years in the nuclear power industry, Anthony became a water customer champion by joining the Consumer Council for Water. Since 2015, Anthony has helped to lead the challenge on behalf of water customers in the South West. *Anthony completed his term on the WaterShare+ Group Panel in 2026.*



Richard Lacey
WaterShare+ Chair for the Bournemouth region

Richard, a Chartered Civil Engineer with extensive UK and international water industry experience, supports Bournemouth Water customers through WaterShare+, following his leadership during South West Water's acquisition of the company in 2016. *Richard completed his term on the WaterShare+ Group Panel in 2026.*



Louise Coulton
WaterShare+ Deputy Chair for the Bournemouth region

Louise is a collaborative senior leader with 25+ years in financial services, including 14 in compliance. Louise champions ethical governance, regulatory integrity and consumer advocacy across public and social sectors.



Carole Theobald
WaterShare+ Chair for the Cornwall region

Carole is Chief Executive of iSightCornwall, with over 25 years of leadership experience in the public and charity sectors. She specialises in strategy, communications, and advocacy, with a strong track record in inclusive engagement and reputation management.



Ben Harper
WaterShare+ Deputy Chair for the Cornwall region

Ben is Chief Executive of the Watergate Bay group of companies, in Cornwall. Ben is a champion for business within the South West and his experience in customer focussed businesses provides the panel with external insight and perspective. *Ben completed his term on the WaterShare+ Group Panel in 2026.*



Nick Buckland OBE
WaterShare+ Chair for the Devon region

Nick transitioned from a successful IT career to a diverse portfolio across voluntary, public, and private sectors. He was honoured with an OBE in 2009 and an Honorary Doctorate in Technology in 2013.



Dinah Cox OBE
WaterShare+ Deputy Chair for the Devon Region

Dinah chairs Devon Community Foundation, and is a Non-Executive Director for Devon and Cornwall Police and advises the National Trust. Awarded an OBE in 2008, she champions the voices of vulnerable communities.



Alison Thompson
WaterShare+ Co-Chair for the SES region, Co-Chair of the SES Customer and Environment Scrutiny Panel

Alison is a Chair and management consultant, a Board Advisor, and teaches at Cambridge University. She brings sharp commercial insight, with a strong focus on future customers and environmental sustainability.



Steve Crabb
WaterShare+ Co-Chair for the SES region, Co-Chair of the SES Customer and Environment Scrutiny Panel

Steve is a consumer affairs specialist who focuses particularly on ensuring that vulnerable households receive fair and accessible services. He has held senior roles at British Gas and the Alzheimer's Society and is also an award-winning writer.

Joining the WaterShare+ Group Panel in 2026



David Smith
WaterShare+ Deputy Chair for the Bristol region

David has nearly 40 years' experience in the water industry. Before retiring four years ago, he was Asset Management and Production Director at Bristol Water and held senior leadership roles across water quality, production, engineering and supply operations.



Dr Lisa Ackerley
WaterShare+ Deputy Chair for the Cornwall region

Lisa is a public health and hygiene scientist, Chartered Environmental Health Practitioner and Professorial Fellow of the Royal Society for Public Health. She has over 35 years' experience across government, academia, consultancy and industry, most recently as a director at Reckitt.



Robert Gould
WaterShare+ Deputy Chair for the Bournemouth region

Robert has extensive local government experience, serving as Leader of West Dorset District Council and Dorset County Council. He recently completed six years on the Environment Agency Board and previously worked in farming, industry and property management.

Find out more

This report summarises the panel's work, but customers may want to explore some topics in more detail.

The web addresses on this page bring together useful information about the WaterShare+ Group Panel, company performance, environmental plans, customer support and independent regulation. They are intended to help customers understand what is happening, what progress is being made and where to go for further help or information.

WaterShare+ Group Panel

southwestwater.co.uk/about-us/what-we-do/get-involved/watershareplus

bristolwater.co.uk/watershare

bournemouthwater.co.uk/watershare

seswater.co.uk/about-us/about/our-customer-and-environmental-scrutiny-panel

Watershare+ public meetings

southwestwater.co.uk/about-us/what-we-do/get-involved/watershareplus/meeting-sign-up

bristolwater.co.uk/watershare-meetings-sign-up

bournemouthwater.co.uk/about-us/what-we-do/get-involved/watershareplus/meeting-sign-up

COMPANY REPORTS AND PERFORMANCE

Pennon Group

pennon-group.co.uk/system/files/uploads/financialdocs/pennon-annual-report-2026.pdf

South West Water

southwestwater.co.uk/siteassets/documents/about-us/annual-reports/2026/sbb_apr_2026.pdf

southwestwater.co.uk/about-us/performance/how-we-are-performing

Bristol Water

bristolwater.co.uk/hubfs/SBB_APR_2026.pdf

bristolwater.co.uk/about-us/our-performance

Bournemouth Water

bournemouthwater.co.uk/about-us/performance/how-were-performing

bournemouthwater.co.uk/siteassets/documents/about-us/annual-report/2026/sbb_apr_2026.pdf

SES Water

seswater.co.uk/about-us/news-and-resources/publications/our-annual-performance-report

seswater.co.uk/siteassets/documents/about-us/cesp-reports/customer-and-environmental-scrutiny-panel-ar-comment-25-26.pdf

RIVERS, BATHING WATERS AND POLLUTION

WaterFit Live

southwestwater.co.uk/environment/rivers-and-bathing-waters/waterfitlive

Pollution Incident Reduction Plan

southwestwater.co.uk/environment/rivers-and-bathing-waters/our-pollution-incident-reduction-plan

Drainage and Wastewater Management Plan

southwestwater.co.uk/about-us/what-we-do/engineering-projects/wastewater/drainage-and-wastewater-management-plan

CUSTOMER SUPPORT AND CONSUMER VOICE

Help with bills – South West Water

southwestwater.co.uk/household/your-account/your-bill-explained

southwestwater.co.uk/household/help-support/financial-support

Help with bills – Bournemouth

bournemouthwater.co.uk/household/your-account/your-bill-explained

bournemouthwater.co.uk/household/help-support/financial-support

Help with bills – Bristol

bristolwater.co.uk/your-bill-explained

bristolwater.co.uk/home/account-and-services/bills-and-payments/struggling-to-pay

Priority Services Register

southwestwater.co.uk/household/help-support/priority-services

bournemouthwater.co.uk/household/help-support/priority-services

bristolwater.co.uk/home/account-and-services/your-account/priority-services

Involving customers in decision-making

southwestwater.co.uk/about-us/performance/involving-customers-in-our-decision-making

bournemouthwater.co.uk/about-us/performance/involving-customers-in-our-decision-making

bristolwater.co.uk/involving-customers-in-our-decision-making

seswater.co.uk/about-us/news-and-resources/publications/involving-customers-in-our-decision-making

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