

## MINUTES OF THE WATERSHARE+ GROUP PANEL MEETING (PUBLIC)

Held by video conference on  
31 March 2025 at 1:00pm

**Present:**

**Panel:**

Lord Matthew Taylor, WaterShare+ Panel Chair (MT)  
Peaches Golding OBE, WaterShare+ Panel Deputy Chair (PG)  
Nick Buckland OBE (NB)  
Dinah Cox OBE (DC)  
Steve Crabb (SC)  
Tony Denham (AD)  
Richard Lacey (RL)  
Carole Theobald (CT)  
Alison Thompson (AT)

**In attendance:**

**Customer attendees:**

35 customer attendees

**Company representatives:**

Susan Davy – Group Chief Executive Officer (SD)  
Adele Barker – Group Chief People Officer (AB)  
Sarah Williams – Chief of Strategy and Regulation (SW)  
Richard Price – Managing Director of Waste Water Services (RP)  
David Harris – Managing Director of Water Services (DH)  
Ketan Hindocha – Director of Customer Care (KH)  
Dani Twelvetree – Head of Customer Communications & Engagement (DT)  
Carolyn Cadman – Director of Natural Resources (CC)  
Simon Jupp – Regional Development Director (SJ)

**External advisors:**

Cath Jones, CCW (CJ)  
Fergus Mitchell, Natural England (FM)  
Kevin Ward, Environment Agency (KW)

**Report writer:**

Sophie Hooper Lea (SHL)

**Other:**

Paul Hammond – Selectbrief (PH)

**Apologies:**

Louise Coulton (LC)  
Ben Harper (BH)  
Louise Rowe – Compliance and ESG Director (LR)

1.	Welcome and introductions: overview of WaterShare+ (slides 4-5)	ACTION
1.1	The Chair welcomed attendees to the meeting and described the WaterShare+ scheme to customers including the customer share scheme and the remit of the WaterShare+ Panel, which is recognised by industry regulator Ofwat as the Independent Challenge Group for the company. The Panel is independent and holds the company to account on behalf of customers. It holds regular face-to-face and online public meetings as well as private meetings with the company. The Panel includes Chairs and Deputy Chairs for each region of the company's operations.	
1.2	As well as having access to the company's auditors, the Chair noted that the Panel is supported by external advisers from CCW, Natural England and the Environment Agency.	

1.3	<p>The Drinking Water Inspectorate also has a standing invitation to attend meetings if they are able to do so.</p> <p>Following his introduction, the Chair handed over to Susan Davy, Group Chief Executive Officer of Pennon Group.</p>	
<b>2.</b>	<b>Who we are, welcome to the team, our priorities (slides 7-17)</b>	<b>ACTION</b>
2.1	Susan Davy welcomed everyone to the meeting and talked through the regions that are part of Pennon Group (slide 7); the company's four strategic priorities that are based on customer research and feedback (slide 8) and how the company delivers through its people (slide 9).	
2.2	David Harris, Managing Director of Water Services, described how the company is building water resources and improving water quality (slides 10-11) including the use of smart networks and technology.	
2.3	Richard Price, Managing Director of Waste Water Services, covered how the company is tackling storm overflows and reducing pollutions (slides 12-13), which are key areas of concern for customers.	
2.4	Carolyn Cadman, Director of Natural Resources, spoke about the company's commitments to delivering environmental gains (slides 14-15) including catchment management, phosphorus reduction, renewable energy, energy efficiency and biodiversity net gains.	
2.5	Adele Barker, Group Chief People Officer, highlighted the company's work on supporting affordability and delivering for customers (slides 16-17) including smart metering and a £200m package of affordability support for customers.	
<b>3.</b>	<b>Your questions</b>	<b>ACTION</b>
3.1	The Chair then introduced the question and answer section of the meeting. He highlighted that South West Water delivers water and waste water services while Bristol, Bournemouth and SES Water are water only companies with waste water services provided for customers by other companies. The questions were a combination of those raised in advance by email and those asked in the meeting by participants. The Chair noted that anyone who had sent in a question in advance would also receive a written reply from the company.	
3.2	Customer 1 asked how is the company doing with sewage spillages; what investment is being made to bring cost down and why pay shareholders dividends when the company fails its customers? Richard Price responded that South West Water was one of five companies that brought spillage numbers down last year despite it being the wettest hydrological year on record. He explained that the company is making a significant investment to drive spills down further in the next business plan period (2025-30) and is focusing on bathing and shellfish waters as well as high spillage sites. The company has committed to meeting the Government target of less than 10 spills per overflow per year by 2030, which is 10 years ahead of the Government target for water companies. Richard Price also noted that two-thirds of the company's £3.2bn investment for 2025-30 is funded by investors and one third for customer bills. Investors are needed to make the programme affordable, and they need a return on investment.	

3.3	Customer 2 asked how the company thinks its messaging has landed to residents who already and historically have always paid, at least with South West Water, more than other water companies on average? How have the financial margins on water bills not been placed in infrastructure investment before now, and why wasn't a plan in place, way ahead of issues as a responsible company? Is there anything wrong with the national consensus that water companies have been more interested in the business of dividends than running a sustainable organisation? Richard Price responded that all South West Water bathing waters have met the Bathing Waters Directive for the last four years and 91% are in the good or excellent category. Across the whole region, 81% of beaches are in the excellent category in comparison with 28% in the 1990s. The company invested over £13bn as part of its Clean Sweep Programme following privatisation and the next business plan period will see the biggest ever environmental investment.
3.4	Customer 3 said that, in the South West, water bills are very high, and she had always understood this was due to the demands of protecting our coastline. Recently, this protection has clearly been failing - how and when are South West Water going to make effective improvements? Richard Price noted that improvements have been made and the company is driving down storm overflows. He stated that the company has a huge investment programme going forward to tackle storm overflows but that it will take 15 years to deliver that investment.
3.5	Customer 4 asked what is the justification for the recent rise in water pricing, considering the massive rise in costs for the consumer over the last ten years? Sarah Williams explained that water companies put together business plans every five years that are assessed by the regulator Ofwat. Customer bill prices are set by the regulator in its Final Determination as part of this process. She reiterated that the company will be investing around £3.2bn in the next five years. Sarah Williams recognised that many people are in difficult financial circumstances and will have concerns about being able to pay bills. She encouraged customers to reach out to the company for the support described earlier in the company presentations.
3.6	Customer 5 was unhappy about the late start time of the meeting. The Chair apologised to her and explained that there had been technical problems. The customer then asked why South West Water hasn't created another reservoir when rainfall has been so high but customers are told to conserve water because of shortages during the summer months. She said that a lot of people pay high rates for their water but are then told to conserve it, which she finds galling. David Harris responded that the company has an extensive programme to increase water resilience, which includes smaller and more localised reservoirs such as Hawks Tor and Blackpool Pit that are already online. He noted that the company is building Cheddar 2, a new, large reservoir shared with Wessex Water, which will be online in 2033-34. David Harris also spoke about adding pipelines to the water grid to move water around the region to where it is needed as well as building a desalination plant in Cornwall to provide a climate independent water source.
3.7	Customer 6 had asked a question in advance about the status of the first-time sewerage system at Bucks Mills that is under consideration at the moment. He highlighted that he and other local residents have knowledge, are willing to participate and could help. The Chair stated that everyone who submitted questions will receive a written answer and that the company would respond to the customer on this specific issue.

3.8	<p>The Chair noted that there were a number of questions about housing developments and raised a question from Customer 7 that asked whilst there are a large number of storm water discharges into the River Yealm catchment, why do South West Water continue to agree new connections for surface water discharge to the combined sewers? Richard Price responded that the company has a legal obligation to support development. South West Water uses modelling to assess planning applications and works with Local Planning Authorities (LPAs) to ensure that necessary upgrades are made to the sewerage system before new developments connect. He stated that foul and surface water systems were combined in the past but should not be combined in the future as water companies then need to pump and treat surface water as well as wastewater, which does not make sense from an environmental or net zero perspective.</p>
3.9	<p>Customer 8 stated that, following repeated sewage spills, Teignmouth has lost its Blue Flag status, which is crucial for tourism in a seaside town. She asked how closely the company works with the Environment Agency and what is causing the water quality issues. Richard Price responded that there are other sources of pollution in the water off Teignmouth including agriculture. He stated that the company works closely with the Environment Agency and the company's Upstream Thinking initiative involves working with landowners such as farmers to reduce run off. Kevin Ward of the Environment Agency also responded to the question, agreeing that his agency does work closely with the company and that inputs from sewage infrastructure are part but not all of the problem. Other significant issues include birds nesting on the pier and dogs on the beach.</p> <p>Customer 8 also highlighted that the Government has now removed the £50 supplement that South West Water customers used to receive towards water bills and that the company's investment plans will impact on customers through bills. The Chair highlighted that the Panel had tried to persuade the Government to retain the £50 contribution to customer bills as South West Water looks after a third of the country's bathing beaches but this is paid for by only 3% of the UK population. Richard Price noted that the company has to deliver the improvements that everyone wants to see and that it is an ambitious plan. However, the company is acutely aware that bills must be affordable for customers and therefore has measures in place to help those in need. He encouraged attendees to get in touch with the company if they are struggling to pay bills.</p>
3.10	<p>The Chair noted that the company had received a lot of questions about executive pay, bonuses and dividends ahead of the meeting. He asked the company to respond to one such question: why should customers have to face increases in the cost of water to reduce pollution incidents caused by years of lack of investment? Why should the CEO and top management be given financial rewards for failure? Adele Barker responded to say that the company is acutely aware of how upset and concerned customers are about this. She noted that executive remuneration is set by a committee and that it is constantly under review. In addition, senior management have chosen on occasion not to take a bonus or pay increase, for example during Covid and in the last financial year. She pointed out that, in comparison with the water sector and similar FTSE listed businesses, the pay of Pennon executives is at the lower end of the salary range. She also stated that the company needs to be able to attract and retain executives. The Chair added that the Panel scrutinises executive remuneration and has welcomed bonuses not being paid when the water sector is not seen to be delivering on its promises.</p>
3.11	<p>Customer 10 asked why money is being paid out in shareholder dividends when infrastructure needs so much work? Similarly, customer 11 asked: as customers pay you,</p>

	<p>can they expect to be put first, with shareholders second in line? Susan Davy responded by saying that a third of investment comes from customer bills with two thirds provided by investors, who put in money year after year. Like any investor, she said, they expect a return. Susan Davy also noted that the return is a fairly modest 4-5%, which is lower than UK Government gilts. In her view, this investment provides a reasonable deal for customers and is allowing the company to invest £3.2bn over the next five years. She stated that the company focussing on investing in and improving services. She also stated that the company realises that increasing bills are incredibly difficult for everyone.</p>	
3.12	<p>Customer 12 asked why the increases in customer bills for South West Water customers are different on the Ofwat website from the figures given on the company website and why the South West Water increase is so high at 28% for 2025/26? The Chair remarked that the Panel had also questioned the difference in Ofwat and company figures. Susan Davy responded that she understood the incredible frustration of seeing different numbers published. The issue, she stated, comes down to Ofwat publishing prices without inflation and South West Water providing the actual prices that customers will be billed and charged. The South West Water number is therefore the more useful number for customers to have. Sarah Williams also added that explanations underpinning the pricing decisions and bill smoothing over time are extremely complicated, particularly as the company will be investing earlier for some things in order to tackle issues and see the benefits sooner. The Chair highlighted that the Panel scrutinises pricing, but that Ofwat ultimately determines the charges that customers will have to pay. If water companies fail to deliver what they promise, then penalties will be paid by the company. If the company outperforms against targets, outperformance payments will be shared with customers through the WaterShare+ share scheme. He also noted that customer research has shown that customers want to deal with pollution and water resource issues, and that they also want charges to be paid by customers now rather than being left to future generations of customers to pay. The Chair highlighted that the Panel had made representations to Ofwat about intergenerational fairness. Customer 12 asked exactly how much bills will be going up this year and following years. The Chair responded that he will be sent more detailed information and that the Panel would like the company to address this as customers need clarity.</p> <ul style="list-style-type: none"> <li>• Company to explain and quantify the costs of annual customer bill increases in 2025-30 and to include this information on the company's website.</li> </ul>	Company
3.13	<p>Customer 13 stated that his meter was being read frequently for no good reason and he had asked on numerous occasions for this to change. Why is this happening and why not put in a smart meter? He also said that he had regularly reported leaks and had even seen South West Water vehicles drive past leaks, only to find out that they had not reported them. He complained that it was taking five days for the company to respond to leaks. David Harris responded that the company reads meters twice a year (rather than the regulator's requirement of once a year) as this helps the company to identify issues on its network and to repair damaged assets more quickly. He said that the customer should not be having his meter read so regularly and that he will personally check and respond to the customer. David Harris explained that the company has been installing smart meters but has a comprehensive smart metering programme rollout starting on 1 April 2025, which will be compulsory in Bournemouth as a region of water stress but can't be compulsory elsewhere. He also talked about how the company is using technology to be more</p>	

	<p>effective and said that staff are hugely committed and dedicated, and that he would expect them to report any leaks that they see.</p> <ul style="list-style-type: none"> <li>David Harris to investigate customer 13's allegation that his meter is being read on a weekly or fortnightly basis and to organise for the company to respond to the customer.</li> </ul>	Company
3.14	<p>Customer 14 asked how the company could help and incentivise customers around water savings, for example using grey water, saving run off water and using water butts. The customer noted that she was in a supply shared between two houses and therefore unable to have a meter. She asked if the company could provide a forum for customers to share water saving measures. David Harris responded to say that customers with a water meter will only pay for the water they use and that the company does share water saving tips on its website and has free water saving devices available to customers at: <a href="https://www.southwestwater.co.uk/household/your-services/save-water">https://www.southwestwater.co.uk/household/your-services/save-water</a>. The customer noted that she cares about the environment as well as her bills, so is saving water despite not having a financial incentive to do so. She also noted that she is ineligible for pension credit because of receiving a marginally higher pension. David Harris talked about the company's successful Stop the Drop and Save the Drop water saving campaigns as well as future plans. He also highlighted that if customers use less water, the company takes less water out of streams, which has an environmental benefit. Given the customer's ineligibility for pension credit, Adele Barker stated that her team would get in touch with the customer about financial support offered by the company.</p> <ul style="list-style-type: none"> <li>Company to contact customer 14 with regard to financial support that might be available to her.</li> </ul>	
3.15	<p>Customer 15 asked what the company is doing to support vulnerable customers during this time of financial hardship? Adele Barker explained that the company has committed £200m to supporting vulnerable customers over the next five years. She stated that the company's priority is for all customers to have a bill they can afford. The company has many options to help and support customers in financial difficulty. Those on a very low income can get up to 85% off their bills and others can have bills capped. The Chair invited anyone in financial difficulty to contact the company about making their bills more affordable. Customers can also visit: <a href="https://www.southwestwater.co.uk/household/help-support/priority-services">https://www.southwestwater.co.uk/household/help-support/priority-services</a> or call 0344 346 1010.</p>	
3.16	<p>The Chair thanked customers for their excellent questions.</p>	
<b>4.</b>	<b>Close</b>	<b>ACTION</b>
4.1	<p>Susan Davy thanked customers for taking the time to attend the meeting, hoped they had found the session useful and invited them to attend again in future.</p>	
4.2	<p>The Chair thanked the customers and apologised for technical glitches that had led to problems in the meeting including customers being unable to unmute their microphones. He highlighted that WaterShare+ meetings are designed to enable customers to question members of the company's executive team and that these are in addition to meetings held by the company with customers and local communities. The Chair also apologised to those who had not been able to ask their questions due to time constraints and he invited them to send their questions in by email if they had not done so already. The Chair noted that the Panel insists that the company answers all questions raised by customers before</p>	

	and at WaterShare+ meetings. The Chair went on to thank Panel members and the executive team who organised the meeting on behalf of the Panel and attended to answer customer questions.	
4.3	<p>The next public meetings are as follows:</p> <ul style="list-style-type: none"> <li>• WaterShare+ Regional Public Meeting in Bristol from 10:00am – 12:00 noon on 7 May 2025.</li> <li>• WaterShare+ Group Public Meeting online from 1:00pm – 4:00pm on 17 June 2025.</li> </ul>	

**WATERSHARE+ GROUP PANEL PUBLIC MEETING**  
31 March 2025 at 1:00pm

**Actions/Matters Arising**

Action No	Meeting Date	Ref	Action	Owner	Comment / Target date
595	31/3/25	3.12	Company to explain and quantify the costs of annual customer bill increases in 2025-30 and to include this information on the company's website.	Company	
596	31/3/25	3.13	David Harris to investigate customer 13's allegation that his meter is being read on a weekly or fortnightly basis and to organise for the company to respond to the customer.	DH	
597	31/3/25	3.14	Company to contact customer 14 with regard to financial support that might be available to her.	Company	