Our Turnaround Plan

November 2023 update

We know that in the past our performance has not been good enough. This is why I launched our Turnaround Plan in May 2023, to deliver a short sharp ambitious improvement by 2025, particularly in terms of our environmental performance.

Focused on the delivery of four clear outcomes, the plan includes a list of actions that I'm pleased to say we're making significant progress on to improve our service to customers and the environment.

Tracking progress on our plan and holding ourselves to account is important to achieve the outcome. We have consulted with Mckinsey on best practice and setup a central transformation office reporting to our Chief Financial Officer. This sets the governance of the programme and tracks and monitors our plan and oversees any changes that need to be made to our business processes or systems. A dedicated Executive Performance Committee then reports that progress to our Board on a monthly basis. Progress is also reported to our regulator, Ofwat.

In our water business, we've fundamentally changed processes, expanded teams and doubled the volume of water treated at 20 of our sites. We have begun delivery of our £150 million four-site strategy completing capacity, resilience and water quality enhancement upgrades at Otterbourne and Burham.

We've also completed work at 52 of our wastewater pumping stations, improving resilience, and our sewer cleaning programme is on track to review 180 of our highest risk rising mains across our 39,900-kilometre network. Updates to our Control Room and sewer monitoring mean that we're now proactively managing repairs before they become an issue.

In terms of customer service, we know that we still have a long way to go to improve

overall customer satisfaction, but we are making progress. Complaints are now 29% lower than they were in the first quarter of 2023. Our video assistant tool enables us to support customers more quickly and accurately, increasing customer satisfaction and improving the use of network teams.

Our focus on improving our internal health and safety processes has also delivered a threefold increase in the number of hazards now reported, with our new risk software allowing teams to better capture evidence out in the field.

Crucially we've taken all of our employees through this Turnaround Plan, with 2,500 of them, and many more of our supply chain partners, attending an immersive training day at our Falmer offices. This means our whole company is behind this plan and each colleague understands what, as individuals, they need to prioritise for us to meet our targets for the end of this investment period.

In October we submitted our five-year plan from 2025–30, based on what our customers told us was most important to them. It's our most ambitious plan yet, and we need to be ready to deliver it.

We know these plans are ambitious, however, we now have 2,500 dedicated professionals working to deliver it. They are all committed to making this plan a reality.

Our next six-month update on this plan will be published in May 2024.

Lawrence Gosden, Chief Executive Officer.



We are committed to delivering:



A reliable supply of water for our customers

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



Healthy rivers and seas

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



Trusted and easy customer service

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



Empowered and supported colleagues

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

With the help of these enablers:



People and culture

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



Digitalisation and technology

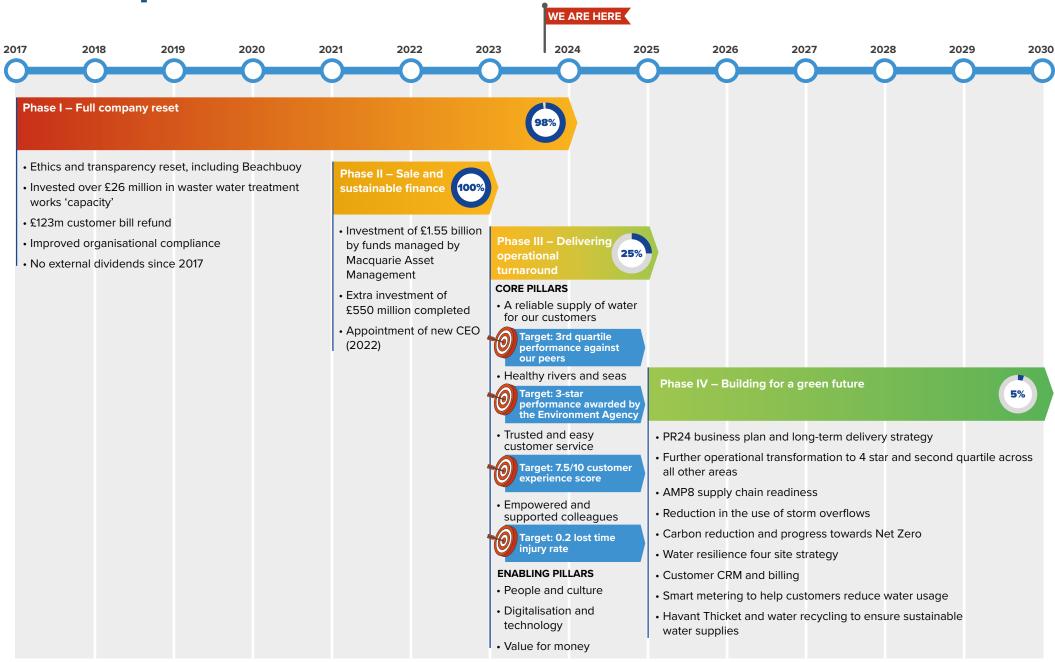
A responsive, connected network and processes that support our operations to act faster and deliver more effectively for our customers.



Value for money

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

The four phases of our transformation



A reliable supply of water for our customers

Due to their age and design, several of our sites and parts of our network had become less reliable. Over the past six months, 30 actions have been delivered across 20 sites, with teams co-locating, developing new quality plans, governance processes and asset maintenance schedules, with new teams recruited to deliver them.

As part of the £150 million investment in our four largest treatment sites, we've completed several of the 103 projects identified, improving power resilience, borehole infiltration and UV treatment at Otterbourne and improving pump resilience at Burham. We've also doubled output across the 20 smaller sites identified for upgrades, and we're on target to improve this further by year end.

We've installed more than 7,500 loggers on our networks so we can better locate leaks and improved the efficiency of our contracts with our supply chain to make sure that our find-andfix teams are able to better prioritise the most impactful repairs. Significant water savings – more than 1.5 megalitres per day (MI/d) have also been made through our pressure management programme since the start of the year.

Our new water tanker fleet is now operational and is supporting our network teams in problem areas, as well as helping us better react during interruption incidents to keep our customers in supply.



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

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

				We ar					
2022		202	23	here		20	024		2025
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
		f our water supp					maintenance.		609
This include	s the complete	e overhaul of our	four main si	tes, benefiting (62% of our cust	omers.			
Deliver 103	projects at our	four largest wat	er supply wo	rks through the	e investment of	£150m			C
Tactical inve	stment at 20 s	ites to improve r	reliability and	output by 50M	/IL/d				C
Complete o	ur most ambitio	ous reservoir ins	pection prog	ramme					C
Reset all not	tices to improve	e delivery confic	lence with						
our regulato	r								
								rs to	20
			espond more	quickly.					
Deliver sma	rt water meter i	improvements							
	ie pressure ma I network resilie	nagement and pence	programme to	o support					C
Roll out of o	ur new GIS loc	ation and asset	register syste	em, enabling im	nproved system	s across our w	vater networks		C
mprove our	process for fin	nding and fixing	leaks – we've	e already impro	oved our fix				
rate by 30%	since summer	2022							
		apability so we dares and an over				er, 24/7. This i	ncludes a new ta	nker 🕡	40
Continually	improving the ι	use of our six in-	house 24/7 v	water tankers					C
ncrease ou	r logistic stores	to eight to enal	ole improved	response in ar	nd out of hours				C
Deliver tacti	cal improveme	nts to our end-to	o-end work n	nanagement pr	ocesses				C
		nt and control c		nd networks th	nrough a consta	nt		88	70
review of ou	ır core systems	and processes.						B 1	
Roll-out of a work on our		ssment approacl	h to enable s	afe control of					C
nvesting in	key improveme	ents							C
	ew contracts a								





Healthy rivers and seas

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

Over the past six months we have completed upgrades at 52 of our pumping stations, improving power resilience and our ability to monitor any failures from our central Control Room and complete proactive repairs when necessary.

We're on track to complete sewer cleaning of 180 of our highest-risk rising main assets by the end of the year and continue with our sewer relining work in several areas as part of our Clean Rivers and Seas Task Force Pathfinder projects.

Our dedicated task force has launched its detailed regional Clean Rivers and Seas Plan, which features an interactive map that customers and stakeholders can use to keep up to date with work happening in their communities to reduce the use of storm overflows. It includes every single outfall on our network and information about how much we're investing where, to rapidly accelerate reduction in overflow use at key designated bathing and shellfish waters across our region.

By the end of the financial year, we will also have 99% of our Event Duration Monitors operational across our outfalls, giving us better visibility of every release and the ability to continue to conduct a root cause analysis and proactively manage issues caused by our sites and networks.

Our Control Room is now using artificial intelligence and a network of 23,000 sewer monitors across our region to find and fix any bursts, blockages or leaks from our network which may affect customers or potentially harm the environment.



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

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

2022		202	23	We are here		20:	24		2025
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
		ilience at our wa							ards.
		ur pumping stati							
eliver our 'G eliably meet		programme – £2	5m of tactical	interventions a	it 45 sites to m	nake sure our tr	eatment works	S	
lake sure ou	ır works are a	able to treat requ	ired flows, as	described in ou	ur permits, thro	ough strategic ii	nvestments an	nd tailored initiat	tives
educe the n	umber of spil	Is from storm ov	erflows to few	er than 18 by re	emoving exces	ss surface water	r from our syst	ems	
laking sure	our assets w	ork to capacity.	Updating our	maintenance s	tandards and	proactive contro	ol to stop asse	ets failing,	6
nd developi	ng an improv	ed emergency re	esponse.						6
estructure o	ur control roc	om so we can sp	ot failures bef	ore they happe	n and, when t	hey do, respond	d faster		
		ır sites and netwo							
			•				•		·
		oing from our net re effective pres		-	n of sewers a	year and installi	ng over 80 ne	ew devices to	
		ive maintenance	to improve th	e reliability of					
ur sites and	networks								
	ur sewer net d maintenand	twork to reduce ce.	pollutions and	d flooding , usir	ng industry-lea	ding monitors,	artificial intelliç	gence for	6
-		nstalling 23,000 they happen	sewer level m	onitors and 1,3	00 Event Dura	ation Monitors to	o allow us to p	predict spills	
		oding incidents b ase managing fl				our network. We	e'll do this by u	using	
	accuracy and I intelligence	efficiency of our	spill reporting	g by automating	g processes ar	nd			
		opment and pro to deliver the ser			ont-line colle	agues. Making s	sure they are r	multi-skilled	5
		d training expert ining for all mana				r all Operators a	and Techniciar	ıs,	
nprove effici	iency through	n better logistics	management						
		-							Ì





Trusted and easy customer service

Our customer service systems are outdated which has affected our ability to effectively manage customer data and analytics to inform improvements to our services.

Over the past six months we have completed a detailed content and site map audit of our website and created new templates and designs. This will be launched in early 2024. Work on upgrading and simplifying processes that sit behind our Retailer and Developer portals is also continuing in parallel.

A complete cleanse of our customer data has begun and new controls will be in place from early in 2024, improving access to customer accounts and interaction records and speeding up the resolution of customer enquiries.

Our video assistant service is now in place, allowing customers to speak directly to our water inspector teams and make their visits more efficient, saving everyone time. Inspector call outs have reduced by 55% as a result.

All employees have now been taken through the Turnaround Plan, getting everyone working towards the same key targets and goals. Training sessions have also been run with our supply chain partners, introducing new multi-tasking processes for the billing teams and reducing customer hand offs between teams. These improvements have improved first contact resolution and reduced complaints by 29% since the first quarter of 2023.

Better access to customer insight is driving improved communications during customer incidents. We have launched a series of face-to-face engagement events, called Your Water Matters; with the first event taking place in Hastings in late October 2023. The next is planned for Whitstable in the New Year and will be part of a rolling programme of events throughout 2024.

Our new education programme launched offering teachers and students access to a wealth of resources. We've seen a really enthusiastic response, with 7,163 students engaged from April to September 2023, a 215% increase on 2022. This will be supplemented with a new schedule of School Tours at key sites across our region.

Our support for those in vulnerable circumstances has ramped up and we continue to enrol customers onto our social tariff – giving them up to a 45% reduction on their bills. We have been working with Age UK and Local Authorities to discuss auto enrolling customers.



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

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

2022		202	:3	We are here		20:	24		2025
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
		our customers b ality and compla							34
mprove onli	ne experience	e and launch nev	v website						C
Enhance cus	stomer, develo	pper and retail po	ortals						C
	Improve cus	stomer and perfo	ormance data a	and analytics					C
Launch new	tools like vide	o assistants and	simplify our p	rocesses for c	ustomers				C
Reduce time	to respond to	complaints						-	
		ure . Making sure tion of customer						88	23
	Roll out cus	tomer promise a	nd customer s	ervice training	to upskill colle	agues			C
mprove con	nmunications v	with colleagues							C
	Supply chai	in training and jo	urney improve	ments					C
	e customer ins orm decision n	-							C
	gement with o stakeholder fo	our communities	through impr	oved multi-cha	annel and direc	t communicatio	ons, education p	orogrammes	41
Deliver educ	cation program	nmes in our com	munities						C
mprove con	nmunication w	ith better media	briefings, soci	al monitoring a	and multi-media	content			C
mprove stal	keholder enga	gement through	regional MP fo	orums, newsle	tters and site vi	sits			C
mprove roa	dside messagi	ing							C
Supporting	customers in	vulnerable situa	tions by impro		ity services duri	ing incidents ar	nd our social ta		60
Expand the	social tariff pro	ogramme							C
				Enhance our					

Empowered and supported colleagues

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

Over the past six months we have seen the number of hazards raised across the business triple (to c.900 per month) because of a new campaign, and the launch of a new risk app for teams in the field. It's making it easier for teams to report concerns but also means they are better able to capture evidence so any issues can be resolved more quickly.

Our senior managers are now spending more time with our field teams out on our sites. As well as visiting and keeping track of new safety and wellbeing measures introduced on site, it means that they're able to get feedback from the teams so that suggestions for improvements can be more easily surfaced.

We launched our new Health and Safety Policy statement, endorsed by our Health and Safety and Operational Risk Committee.

To support the launch of our new health and safety policy our employees and supply chain partners now have personal empowerment cards. This gives everyone the authority to stop any activity they feel is unsafe through our three golden commitments of taking care on the move, when we complete work and caring for each other.

As a result of this work and a renewed focus on health and safety, lost time incidents have reduced by 20% over the past year.

Our Inspire Academy has also launched with our Talent and Development team offering a series of training workshops for existing managers as well as a programme of internships and a graduate scheme to develop great skills and retain top talent. We know that investing in our people is essential to our success, and we're proud to offer our employees opportunities to grow and develop their careers with us.



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

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

2022		_20	23	We are	e	-20)24		2025
Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2025 Q1
Q4	QI	Q2	Q3	Q4	QI	Q2	Q3	Q4	QI
Improving t									55%
Introduce a	new company-	wide risk asses	ssment app						0
			Review app	usage and imp	prove over time	e to minimise h	ealth and safety	y risk	0
	th care to embe programmes.	ed health and s	safety as a key	way of working	g with upskillin	g, training and		28	24%
Provide coll	eagues with the	e knowledge, s	kills, and awar	eness to make	safe decisions	s through beha	vioural training		0
	Company-w	ide upskilling t	o meet future r	needs					0
	More effecti	ve and compre	hensive onbo	arding program	nmes limiting in	nitial risk			0
Refresh inte	rnal document	ation and stand	dards to ensure	H&S is embed	dded within ou	r processes			0
Managing o	our compliance	through new s	systems, inspe	ctions and assu	urance.				58%
Place of wo	rk risk assurand	ce process upo	lated						0
Improve sta	tutory risk insp	ection process	es						0
Improve risk	management	systems							0
	our colleagues nd develop ead		nspire Academ	y, internships a	and a graduate	programme to	make sure	282	22%
Develop and	d roll-out the In	spire Academy	for 500 mana	gers to suppor	t our colleague	es in the work t	hey do		0
Expand and	launch appren	tice programm	e bringing in n	ew talent					0
Roll-out of n	ew contracts a	nd ways of wo	rking to improv	e customer ma	anagement and	d operational re	esponse		0



met or exceeded

Our performance improvements

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

	2020–21	2021–22	2022–23	Mid-year assessment 2023-24*
Consumer experience				
Developer experience				
Water quality		8		
Leakage (in year)			8	
Water usage	8	8	8	
Internal flooding		8		
External flooding				•
Supply interruptions	8		8	
Pollution incidents				
Unplanned outage				
Treatment works compliance	8			
Mains repairs	8		8	
Sewer collapses	8			

year outcome

Final Determination target missed

and performance worse than prior

Performance

improving from 22/23 APR

Performance

static from

22/23 APR

Performance

from 22/23 APR

declining

Final Determination target missed but

performance improved in relation to

prior year outcome

^{*} This is our assessment comparing our year end 2022-23 outcome with the forecast outcome for 2023-24, based on YTD performance to the end of September. Final outcomes will be determined at the end of the year and reported in the Annual Report.

Why did we need a Turnaround Plan?

Factors affecting our performance in the delivery of our 2020-25 business plan.

Root causes	C-MeX	Priority services	Leakage	PCC	Water supply interruptions	CRI	Mains repairs	Unplanned outage	Internal sewer flooding	Pollution	Sewer collapses	Treatment works compliance
PR19 allowance insuffiency	√	1	√	√	√	√	√	√	√	√	√	√
Inflationary pressures	√	√	√	√	✓	√	1	✓	/	√	1	√
Legacy systems	√	√										√
Covid	/	√		√	√							
Changes to customer demand	/		√	√	√		1					
Community behaviour change	/	√										
Housing growth	/		√	√	√				1		1	
Local authority budget constraints	/		√				✓		/	✓	✓	
Increased environmental legislation			√		√	√	1		√	1	1	√
Climate change			√		√					✓		

Our Turnaround Plan was put in place earlier in 2023 to accelerate performance improvement in 12 key areas, identified by our regulator. In the table above we have outlined a number of 'root causes' that have affected our performance in the first three years of delivery of our 2020-25 business plan. These external factors and the impact they have on our business are explained annually in our **Annual Report and Financial Statements**.