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By email - huw.merriman.mp@parliament.uk

Huw Merriman MP
Member of Parliament for Bexhill and Battle
House of Commons
London
SW1A 0AA

20 September 2023

Dear Huw

Thank you for your letter dated 17 August 2023 concerning the performance of South East Water.

South East Water's PR19 determination included stretching performance commitments that targeted at least a 15% leakage reduction and a 50% reduction in supply interruptions by 2024-25. Meeting these performance commitments would have the effect of improving the security of supply, however the company did not meet these performance commitments in the 2022-23 reporting year. I share your disappointment with South East Water's continued poor performance and the problems experienced by your constituents. We are continuing to engage with, and challenging, the company on these issues and to return its levels of service to those we expect.

Providing reliable supplies of safe drinking water is paramount responsibility of all water companies. Our PR19 determination included £70 million for supply-demand balance schemes and £11 million to improve the resilience of the company's asset systems. We expect the company to deliver these investments which will improve the resilience of its services.

South East Water remains responsible for maintaining the health of its assets and the regime ensures penalties are applied for poor performance where its performance commitments are not met. We are continuing to monitor the ongoing performance of South East Water and we have asked that they urgently address the learnings from the performance issues seen earlier this summer.

We recognise the increased pressure that has been placed on customers as a result of recent bill increases. And as for other water companies, the high levels of inflation have driven the bill increases in 2023-24.

It is important that the company steps up to deliver the levels of service customers expect. We continue to do all that is within our power to challenge the company to improve its performance and ensure that South East Water's investment is targeted, efficient and allows it to meet its obligations in respect of the health of its network and its security of supply.

I very much regret the disturbance this has caused to your constituents. I want to be clear that Ofwat is taking these matters seriously and we will take action to ensure companies continue to protect and deliver a service on which we all rely.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D Black', with a stylized flourish at the end.

David Black
Chief Executive, Ofwat