

Welcome from Chris Murray MBE, Independent Chair of WRSE

It was an incredibly proud moment for myself and the rest of the Water Resources South East (WRSE) team to publish [our revised draft regional plan](#) at the end of August, along with [a response document](#) setting out how we had taken account of the feedback we received during consultation on our draft plan from November 2022 to February 2023.



Chris Murray

As I've stressed before, our revised draft plan is the product of a huge amount of hard work and input over the course of the past several years from the WRSE team, colleagues from our six member water companies, regulators, stakeholders representing a wide variety of interests, and customers from across our region. Many thanks to everyone who has contributed to the development of our plan, it's very much a team effort.

Our updated plan is a critical step in securing resilient and sustainable water supplies for South East England – an area that is already water stressed, that's facing rising demand for water and which is feeling the impact of climate change. The plan clearly details what actions and investment are needed to secure an additional 2.7 billion litres of water per day by 2075, to benefit both customers and the natural environment.

Our revised proposals reflect the comprehensive consultation we've carried out with customers and stakeholders, new government policy and changes to some schemes, all of which have been considered and incorporated into our modelling process.

The biggest change is the further increased focus on reducing demand for water in the coming decade, meaning we can meet the

requirements of the Government's February 2023 [Environmental Improvement Plan \(EIP\)](#). This laid out further requirements and interim targets for water companies to achieve on bringing down average daily water use per person for household customers, leakage, and water use by non-household customers.

Through our revised plan, a further 600 million litres of water will be made available each day, by tackling leakage and reducing demand. That's as a result of us and our member water companies increasing by two-fold the total number of demand management schemes in our future plan - from 2,000 to 4,000 projects across the region.

Achieving our overall demand management goal is not certain. Major investment by water companies will be needed, together with a step-change in how companies engage and support customers to reduce how much water they use. Furthermore, the introduction by government of new water efficiency policies, earlier than we originally proposed, will be crucial - a point I stressed in a recent interview with the [Guardian newspaper](#) and in an article in [Water Report magazine](#). Our analysis shows an extra 300 million litres of water could be provided each day through government interventions alone. Without such new water efficiency measures, the total cost of our regional plan could rise by £2 billion and the resilience of our water supplies could be put at risk.

Some changes to the schemes that are needed to provide new water supplies are reflected in our updated plan - with a reinforced role for key strategic resources to provide water, through an enhanced transfer network, to customers of multiple companies. Research carried out with water customers from across the region shows

support for this approach, with recognition of the greater level of resilience it brings.

One significant point I want to re-emphasise is that the cost of inaction will be far greater than the price of delivering our updated regional plan. With the ongoing cost of living crisis, there could be an understandable temptation to defer taking action and making investments, to minimise the impact on customer bills. However, our modelling provides a clear warning that to hold back now would likely lead to a range of serious negative impacts further down the line.

In this spirit, we look forward to the revised draft regional plan for South East England being finalised and approved by government and regulators in the months ahead. This will help ensure that we all have access to safe and secure water supplies, both now and for generations to come.

Chris Murray MBE
Independent Chair
Water Resources South East.

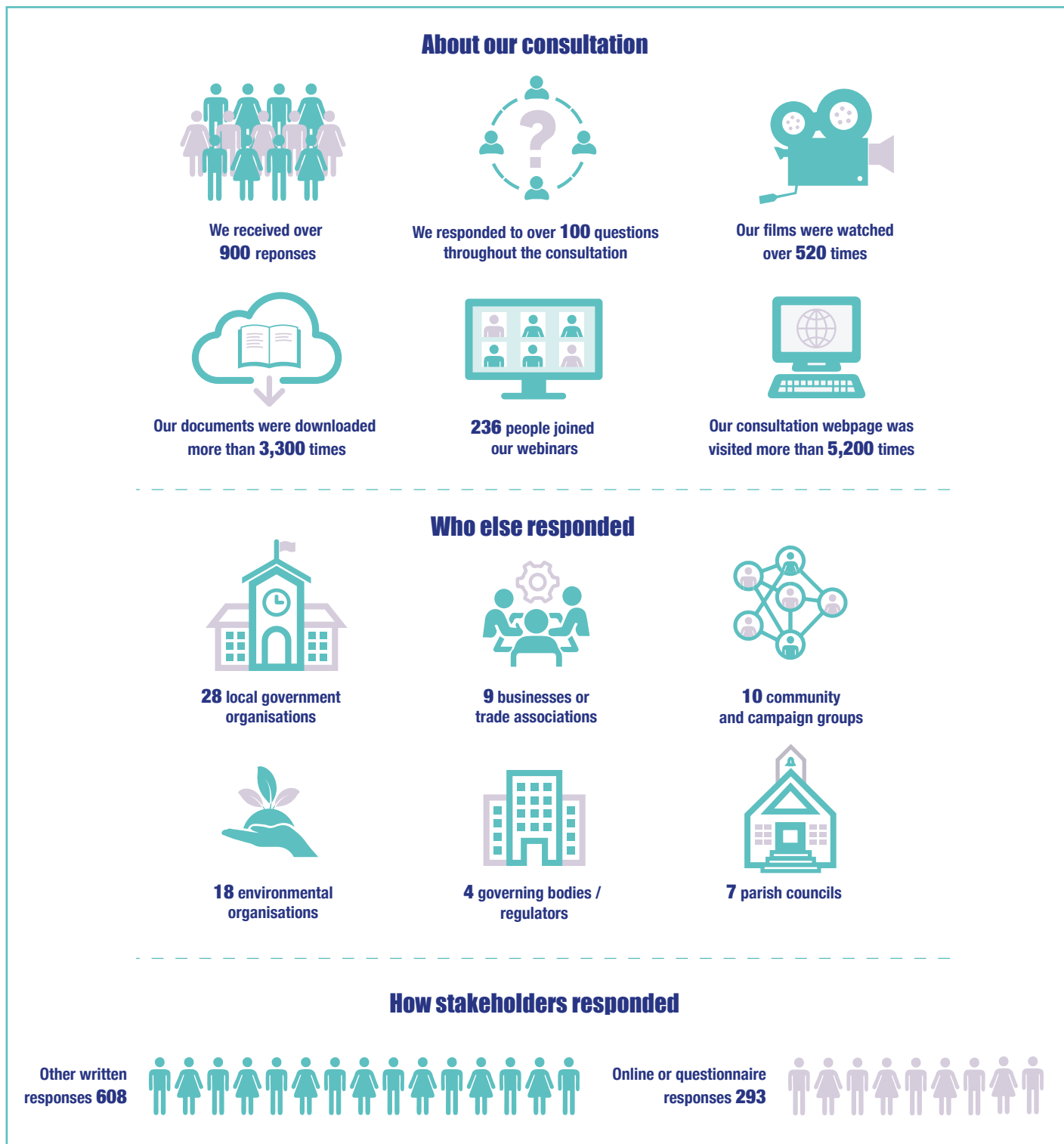
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Feedback on our draft regional plan

Following the November 2022 to February 2023 consultation we held on our draft regional plan, we've been analysing all the views and comments we received, to help shape our revised draft plan.

An overview of the consultation is set out below, with more than 900 responses received, all of which we're very grateful for.



In addition to our consultation, and wider ongoing programme of stakeholder engagement, we carried out specific customer research on our draft plan in Spring 2023. Some 1,300 household and 400 business customers from our region took part via an interactive online survey to help us refine our proposals, testing their views on the draft plan against some feasible alternatives, including around bill impact.

What people told us

The majority of the consultation responses we received focused on four key areas:



There was both support and opposition for some of the new water resource options proposed in the draft plan.

This included SESRO (South East Strategic Reservoir Option), the Hampshire Water Transfer and Water Recycling Project, The Grand Union Canal scheme, Broad Oak reservoir in Kent and the Severn to Thames Transfer.



There was support for ambitious leakage reduction, with requests to go further and faster, and a desire to see more water efficiency options in the plan too. At the same time, there was some recognition of the risks associated in delivering these demand management options - due to factors beyond the control of water companies, such as weather patterns, customer behaviour and government-led demand reduction and policy changes.



There were challenges from some stakeholders on how population and climate change forecasts have been used to develop our plan. Our plan has considered a wide range of possible scenarios and we remain confident in the robustness of the technical work undertaken and the wide range of forecasts on which our plan is based. That being said, we have updated the plan with the latest information and we will continue to review forecasts as new information emerges, so that stakeholders can have confidence our plan is dealing with the latest, officially produced and recognised data.



Some respondents expressed a desire to see faster progress in reducing the amount of water taken, or abstracted, from the environment. Others challenged the size of potential reductions in some areas of our region. Our adaptive planning approach considered a range of future abstraction reduction scenarios, and we are working with our regulators and environmental stakeholders to prioritise reductions across the region. Water company investigations over the coming years will also inform decisions about where, when, and by how much abstraction will be reduced by.

Customer research

Overall – without any bill impact factored in – customers told us their most preferred plan is one that's balanced – that's to say those that feature a mix of strategic resource schemes (such as SESRO) and higher levels of demand management ambition. Customers also valued the higher level of resilience to unexpected events offered by our draft plan, as this represented better value for money, when compared to less resilient, but more costly, alternatives. Likewise, all customers recognised the need to reduce demand. Value for money is important and customers expect their future bills to contribute to enhanced resilience

Unsurprisingly, customers were sensitive to the level of bill impact when it came to selecting their preferred plan or plans. When bills were lower, customers showed greater support for the least cost plan, but as bills increased their preference switched to the best value plan. That's because the more costly a plan, with more uncertainty about what it would deliver, the less support it achieved.

Other factors in shaping our revised draft plan

In addition to what customers and stakeholders told us, there have been a number of key developments that have informed and shaped how we've updated our regional plan. More details on these can be found in our [revised draft plan summary document](#).

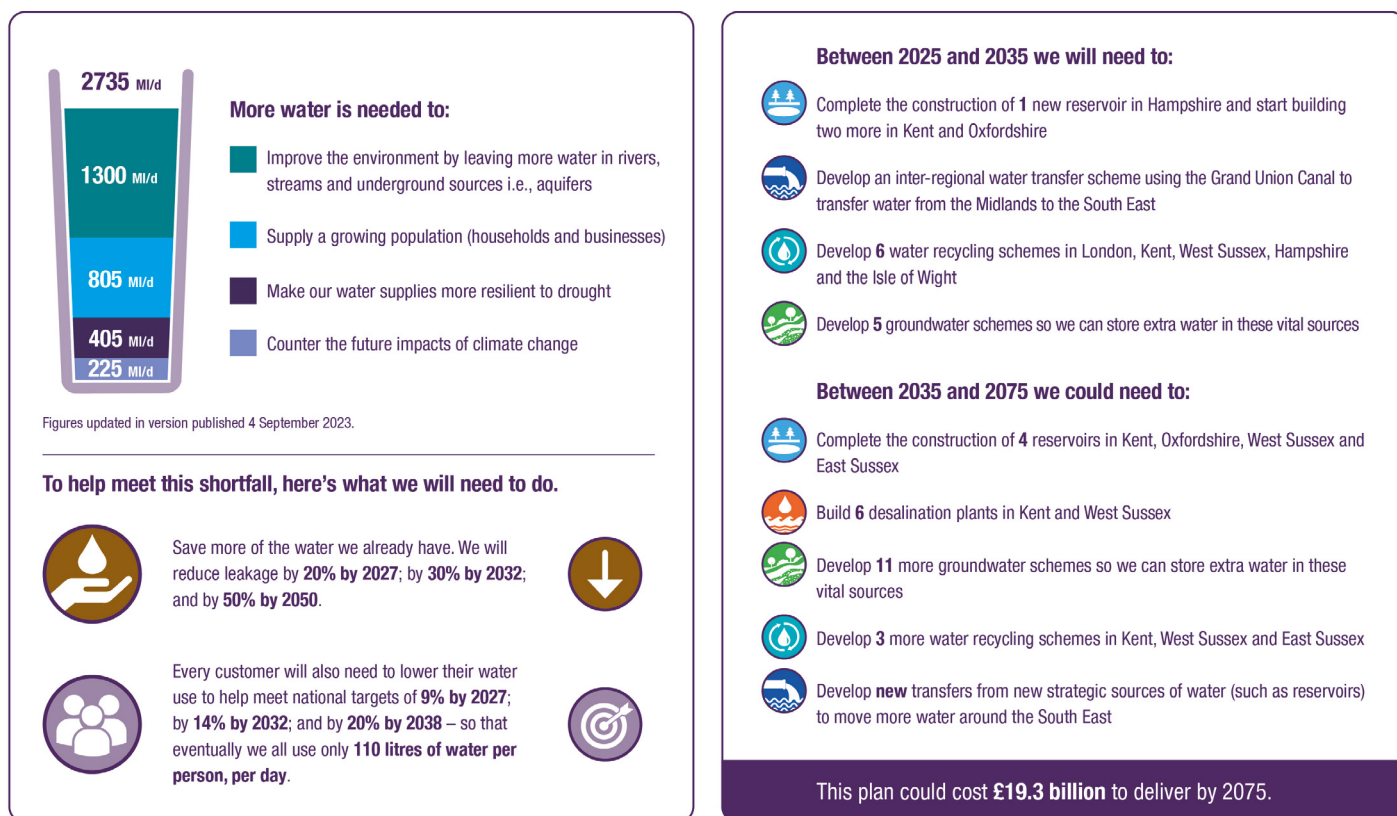
Firstly, the Government's updated [Environmental Improvement Plan \(EIP\)](#) was published in February 2023, setting out additional requirements and interim targets for water companies in three key areas – daily average water use per person for household customers, leakage, and non-household water use.

Changes have also been made to the [Water Resources Planning Guidelines](#), which set out the Government's expectations on how water companies should develop their individual Water Resources Management Plans.

We've also taken account of the latest information on the options considered in our plan, as provided by our six member water companies. This included any changes to costs, delivery dates and environmental assessments for a range of schemes, enabling us to carry out further modelling using the best available evidence. Similarly, our plan is based on the latest available information on the 15 Strategic Resource Option (SRO) schemes that are within our plan, and which are being investigated.

How we've revised our draft plan

Our revised draft plan shows that if we do nothing, we could face a shortfall of over 2.7 billion litres of water per day by 2075. The graphic below provides more detail on this, as well as what would be done to find the additional water needed.



Together with our member water companies, we have doubled the total number of demand management schemes in our revised draft plan - from 2,000 to 4,000 across the region. This would provide a further 600 million litres of water each day by tackling leakage and reducing demand.

The plan also now meets the new government target for average household water use of 110

litres per person, per day by 2050, as well as the associated new interim targets. It includes more savings driven by government-led interventions. For non-household customers, our plan now meets demand reductions earlier, with a 15% reduction by 2050, in line with the latest government requirements.

Changes to the Water Resources Planning Guidelines enabled us to reintroduce more

catchment schemes into the revised draft plan. We have 73 catchment management schemes, across 24 catchments, and in some instances these would be delivered by more than one water company. These schemes should be investigated further to establish if they will provide benefits for the next regional plan, which will cover 2030 onwards.

Next steps

Our revised draft regional plan has informed the individual revised draft Water Resources Management Plans (WRMPs) of our six member water companies. Further information on these plans is covered later on in this newsletter.

Following the revised draft regional plan and revised company plans being published at the end of August this year, water companies submitted their draft business plans to regulator Ofwat in early October, including the investment needed in water resources between 2025 and 2030.

We will then produce our final regional plan for South East England, along with water companies producing their own final WRMPs, receiving final determinations from regulator Ofwat on their five-year business plans, and starting the immediate water resources investment required.

Well-attended WRSE webinar to share revised draft plan

On 20 September 2023, we hosted a webinar to present our revised draft regional plan and enable stakeholders representing a range of organisations and interests to put their questions and comments directly to the WRSE team.



The event was attended by 190 people, with Chris Murray, WRSE Independent Chair, giving an opening address, before details of the updated plan and the key schemes it includes were presented by Lee Dance, WRSE

Organisational Director, and WRSE Technical Director Meyrick Gough.

Chris, Lee and Meyrick answered a large number of questions during the webinar, with answers to any queries not covered on the day to be published within the next few weeks.

A copy of the presentation slides from the webinar, together with a video recording of the event, can be found online at: <https://wrse.uk.engagementhq.com/our-revised-draft-regional-plan>.

WRSE member companies share updated future plans

Each of our six member water companies have published a Statement of Response, detailing how they have responded to feedback on their draft Water Resources Management Plans (WRMPs), following consultation from November 2022 to February 2023. Most have also published their revised draft WRMPs, based on the updates to our revised regional plan.

More information from each company can be found by clicking on the logos below.



Please note that Southern Water's revised draft WRMP is expected to be published for further consultation in the months ahead, following proposed changes to the company's original draft plan.

Coming soon – further ‘Your water, your say’ sessions

In early October, water companies in England and Wales submitted their draft business plans for 2025-30 to regulator Ofwat. The plans include actions for the coming five years, as set out in the revised draft Water Resources Management Plans, to provide resilient water supplies into the future, while protecting and improving the environment.

Following the submission of its draft business plan, each company is hosting a further ‘Your water, your say’ online meeting, to enable customers and stakeholders to learn about what’s being proposed and put forward any questions and comments to company Chief Executives and other senior directors. This



follows the initial round of meetings held earlier in the year.

The dates and times for the ‘Your water, your say’ sessions being held by the six WRSE member water companies are listed on the right. More information and links to sign up to attend one or more meetings will be available via the Ofwat website at: <https://www.ofwat.gov.uk/regulated-companies/price-review/2024-price-review/your-water-your-say/>

- **Affinity Water**
18 October 2023 at 6pm
- **Portsmouth Water**
20 November 2023 at 6pm
- **SES Water**
16 November 2023 at 6pm
- **South East Water**
31 October 2023 at 6pm
- **Southern Water**
27 November 2023 at 6pm
- **Thames Water**
30 November 2023 at 5pm

NIC backs investment in new water resource infrastructure

The National Infrastructure Commission (NIC) has welcomed the publication of water company revised draft Water Resource Management Plans, with NIC Chair Sir John Armitt commenting that the plans “give us a clearer picture of how the water companies propose to plug the gap between supply and demand for water in England over the next three decades.”

Sir John continued: “In the face of a growing population and increasing drought risk, we need to see a robust twin track approach: cutting demand through reducing leakage and consumer use and building new water infrastructure. Our own modelling shows that cutting leaks and reducing demand alone isn’t sufficient: there has to be significant investment in a broad mix of new infrastructure – including reservoirs, transfer networks, recycling and desalination plants – to keep the taps from running dry and limit the damage to our environment from over extraction.”

“We’ve already called for funding for new infrastructure and for leakage and demand



reduction programmes to be included in Ofwat’s upcoming price review settlement. But with no new reservoirs built in the last three decades, there is a lot of catching up to do: that’s why reform of the planning system to reduce the time it takes for major projects to get planning consent cannot wait any longer. Without it, the infrastructure set out in these plans may not be in place by the 2030s, increasing the likelihood of more droughts like we saw last year and greater environmental damage.”

In April of this year, the NIC’s report on the planning system for Nationally Significant Infrastructure Projects called for a range of improvements – including better data sharing on environmental information and more tangible direct benefits for hosting major new infrastructure – as part of a wider process of reform to speed up the planning system and reduce by up to a half the time it takes for major infrastructure projects – such as new reservoirs – to receive planning consent.

£100 million Ofwat fund for water efficiency

Regulator Ofwat recently carried out a consultation, to gather different ideas and input, as it develops a new £100 million fund to help save water.

The fund is being set up to stimulate a measurable reduction in water demand across England and Wales, for both household and non-household customers, sitting alongside the water sector drive to halve leakage by 2050 and develop a range of new water supply infrastructure.

[The consultation](#), which ran until 22 September 2023, set out Ofwat's early thinking on water companies' role in helping customers to save water and invited views on how it should be shaping the water efficiency fund for the benefit of customers, communities and the environment.

Paul Hickey, Senior Director at Ofwat said:

"This fund will enable the sector to accelerate the sort of collaborative and innovative work that is necessary to make progress in this area. By bringing fresh ideas and existing expertise together, we can achieve more resilient supplies, improve environmental protection, and deliver better value for customers".

The consultation was the first of two, which will allow people and organisations to feed



their thoughts and insights into the fund development process.

Ofwat plans to launch a more detailed proposal in early 2024. Its final approach to

the fund will be set out in Summer 2024, with an expectation for the fund to be operational by April 2025.

Legal requirements for desalinated and recycled water confirmed by DWI

Water companies have received [formal notification from the Drinking Water Inspectorate \(DWI\)](#) on applying the Water Industry Act 1991 and the Water Supply (Water Quality) Regulations 2016 to desalinated and recycled water.

In a publicly available letter, the DWI clearly states that, should such water sources be put into use, then the statutory duty to supply wholesome water under section 68 of the Act applies, as do the requirements for wholesomeness covered by Regulation 4 of the regulations.

The DWI letter to water companies goes on to say: "For both recycling and desalination schemes, securing wholesomeness will require an understanding of the nature of the source water, risk assessment and consider the use of the multi-barrier approach. This will include a need to understand any emerging contaminants that are present and consider expert opinion on drinking water safety, research and independent medical advice from the UK Health Security Agency (UKHSA)."

Drinking water, including from desalination and recycling sources, must also conform to the taste and odour standard, in line with the wholesomeness standards set



out at Regulation 4. Early engagement with customers is a further recommendation from the DWI, to proactively address such issues, as well as remineralising arrangements, which should be a "key consideration to consumer acceptability".

Other updates in the letter covered sampling, risk assessment and mitigation, disinfection and treatment.

Work to future proof Havant Thicket Reservoir

As part of work to plan for the future, Portsmouth Water and Southern Water have been exploring additional ways of supplying our region with sustainable sources of water and taking further steps to protect and improve our environment, such as the River Test and River Itchen in Hampshire.

This has involved looking at different options, including adding highly-treated recycled water to Havant Thicket Reservoir to enable it to provide a further 90 million litres of water a day to Southern Water during a drought.

That's in addition to the 21 million litres of water that could be supplied daily under the already approved reservoir scheme, which is being progressed through an innovative partnership between Portsmouth Water and Southern Water.

Future proofing

The water recycling proposals, known as [the Hampshire Water Transfer and Water](#)

[Recycling Project](#), are subject to further public consultation, as well as approval by regulators, and planning permission is also required.

Without pre-empting that important process, Portsmouth Water and Southern Water have been looking at how the already approved Havant Thicket Reservoir scheme can be future proofed by working together to share infrastructure, with an updated planning application for a pipeline tunnel running to and from the reservoir that can be used by both companies.

A completely separate planning application for the Hampshire Water Transfer and Water Recycling Project would be submitted in due course.

Water industry regulator Ofwat has been involved in discussions on this approach, and is supportive of it. The future proofing work would provide flexibility in increasing the resilience of water supplies and further benefitting nature, and could save over £100 million, compared to installing separate new infrastructure at a later stage, should the water recycling proposals be approved to go ahead. It would also avoid further disruption

for local people and additional environmental impact in the years to come.

The new pipeline infrastructure would only initially be used by Portsmouth Water to fill the reservoir with spring water and take water out again - it would not be used for recycled water unless, and until, the Hampshire Water Transfer and Water Recycling Project had received the official approval to proceed and been constructed.

Following further consultation later this year, a new planning application for the Havant Thicket Reservoir pipeline will be submitted to the local planning authorities for determination in 2024.

For more details, please visit the Havant Thicket Reservoir webpages at: [Potential future uses of Havant Thicket Reservoir | Havant Thicket Reservoir project \(engagementhq.com\)](#).



A public viewing area is planned at Havant Thicket Reservoir

How to stay in touch with us

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