

Welcome from Chris Murray MBE, Independent Chair of WRSE

The start of another year seems a natural point to reflect on the progress we've made in securing future water resources for the South East of England, and look at what lies ahead in finalising our regional plan.



Chris Murray

We've come a long way, thanks to a huge collective effort, in creating a regional water resources plan that, when approved, will set out how water supplies will be secured for the most populated region in the UK, while protecting and improving our natural environment.

We recently received a letter from our colleagues at the Environment Agency, which contained a clear recognition that we have developed a regional plan that's directly informed the individual Water Resources Management Plans (WRMPs) of our six member water companies.

Our plan has a major emphasis on bringing down demand for water, a key strand of activity that's recognised in the recent thought-provoking publications from the Chartered Institution for Water and Environmental Management (CIWEM) and the think tank Demos, ahead of the forthcoming general election. You can read more about these reports later in this newsletter.

Reducing how much water is used each day means we need to cut leakage by half by 2050, and help customers to use less, so that

average household water use falls by 20 per cent within the coming 15 years. Achieving these goals is a massive challenge, and one we will only successfully meet if everyone - water companies, government, regulators, the supply chain, customers and other water users - all work together.

A key part of the challenge is that water, as a utility, represents incredible value for money. So much so, that I believe one of the main obstacles we must overcome is a fundamental disconnect between the price we all pay for water, and the underlying and wide-ranging value it provides in supporting daily life and economic growth

While fully recognising the ongoing pressures on household incomes from rising bills for many good and services, it's vital that, as far as each of us is able, we all play our part in funding the investments needed to secure our future. Furthermore, by each doing our bit to reduce overall water demand, we'll help minimise the impact on bills, to keep them affordable.

Over the course of the next year or so, difficult decisions will need to be made in order for precious water resources to be secured and our environment to be protected, including our iconic chalk streams. I hope that those making the decisions will be brave and make the right choices in the South East's long-term interest, instead of opting for politically popular decisions, especially with a general election set to take place this year.

Looking to the rest of 2024, as we finalise our current regional plan, we're already working on our next one. This will have a significant focus on addressing the challenge of further integrating non-public water supplies (such as for agricultural use) into our planning. Only by 'joining up' the whole water supply

system will we be able to build on the major strides forward that have already been made in regional planning.

As WRSE's Independent Chair, I'm not just pleased with the progress made so far, I'm really proud of it, in particular the collaborative approach and spirit around our Strategic Leadership Team table, involving representatives from our member water companies and regulators. This has enabled both better dialogue between companies and regulators, and improved decision making, leading to more meaningful outcomes for all water users.

Once again, I'd like to say how grateful I am to the WRSE team, and everyone who has worked with us to get to this point.

Chris Murray MBE
Independent Chair
WRSE

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What happens next - WRSE regional plan and company Water Resources Management Plans

We have received formal feedback from the Environment Agency (EA) on our revised draft regional plan, with the Water Resources South East (WRSE) team working through the comments made.

This will allow an interim update to the plan to be published this spring. However, WRSE's plan will not be finalised until Southern Water has completed further consultation on its revised draft Water Resources Management Plan (rdWRMP), which is expected later this year.

In the coming weeks, the WRSE member water companies will be reviewing comments from the EA on their rdWRMPs as this feedback is provided in writing to them.

Developing a regional plan – What worked well and areas to improve

The WRSE team has been carrying out a 'Lessons learnt' exercise to identify what has worked well in the development of the regional plan, and where there is scope to make improvements and enhance the process further in the future.

Feedback has been sought and gathered from the six WRSE member water companies, regulators, suppliers who have supported work on the WRSE plan, and external stakeholders from a range of organisations. In particular, these stakeholders were asked to comment on how they were engaged in the plan's development and what they would like to do next time.

Lee Dance, WRSE Organisational Director, said: *"Despite WRSE having been in existence for more than 20 years, supporting the water resources management planning process, this is the first plan that has been produced in line with the National Framework for Water Resources and as part of a co-ordinated national approach.*

"With regional planning continuing to play an important role in the next round of plans and further integrating the needs of other water users, it was important for us to take stock, so we can build on what has gone well and improve where needed."

Clear and understandable consultation documents, stakeholder involvement in consultations and adaptive planning are areas that were regarded as successful. It was felt that stakeholders could be more involved in shaping elements of the plan



next time around, with consideration needed of how to improve the process for the plan's environmental assessment and the appraisal of different water resources options for it.

The feedback from stakeholders was very positive overall, with people keen to see more collaboration to build on the current plan and do more for the next. They also felt that the level of technical detail in the various published materials needs to be reviewed and simplified, and the decision-making process involved in developing the plan needs to be more transparent.

A number of stakeholders also recognised the importance of ensuring that WRSE remains

independent, with clear engagement to inform decisions and explain how the regional plan is shaping and informing company plans. With the investment modelling carried out centrally by WRSE, we were able to take a truly region-led approach, to identify the best value solution for the South East, directly cascading into each company's own plan.

Finally, there was a clear expectation that the regional groups, including WRSE, need to further support and increase the focus on multi-sector planning, integrating the water needs of areas such as agriculture and energy production into the next regional plan.

Updating the National Water Resources Framework

The Environment Agency is in the process of updating the National Framework for Water Resources, which sets out the strategic and regional collaboration required to ensure the needs of all water users are brought together to better manage and share resources.

[The original framework](#) was published in March 2020, detailing the requirement for regional water resources groups to produce regional plans.

The revised document is due to come out in Spring 2025, with a focus on strengthening the multi-sector nature of planning for the future, including what governance is needed, and fully embedding the needs of other water users into that process – for example, the farming and energy sectors.

The issue of funding to support multi-sector water resources planning is a key area that needs to be addressed, with a separate piece of work already underway to look at this and assist the five regional groups to take this issue forward.

Experts want drought investment to remain a priority.

Drought experts have highlighted the need to continue investing and preparing for droughts to ensure England is in the best possible position to deal with extreme weather events and a changing climate.

At its latest meeting in December 2023, the National Drought Group (NDG), discussed the steps being taken to ensure water resilience ahead of future droughts.

The group, made up of senior representatives from the Environment Agency, government, water companies and key representative groups like the National Farmers Union (NFU), explored how all sectors can better collaborate on communications around drought, planning for future droughts, and enabling quicker delivery on larger and more strategic resource options.

England is experiencing more extreme weather more often, with devastating floods hitting parts of the country during the autumn and winter. In terms of the outlook for water resources, extensive rainfall has improved the situation by replenishing reservoirs and groundwater.

Environment Agency Executive Director and NDG Chair John Leyland said:

“Whilst reservoir levels have improved right across the country, the summer of 2022 was a stark reminder that drought can happen at any time.

“Population growth, climate change and urbanisation are already impacting our long-term water security, meaning that water companies and other industries must find new ways to preserve and replenish our



most precious resource. This includes further action by water companies to halve leakage by 2050.”

Mr Leyland added:

“That is why the Environment Agency is continuing to take vital action to secure future water supplies, working with water companies to refine their Water Resources

Management Plans (WRMPs) and advise on necessary improvements, whilst aiding other sectors and local authorities in their water-saving efforts.”

For more detail, please visit: [Drought investment must remain priority, experts urge - GOV.UK \(www.gov.uk\)](#)

Water high on political agenda for 2024

2024 is set to be a general election year, with the future of the water sector likely to be one of the areas that political parties focus on in their campaigning.

To help shape the debate and party manifestos, two reports have recently been published, which detail the priorities for water for both the short and long term.

Report calls for new policies to protect UK water supply



Affinity Water CEO Keith Haslett

A new study has called for the Government to adopt new policy changes to safeguard the UK's water supply. Affinity Water, one of the six WRSE member companies, commissioned the research by cross-party think tank Demos.

Affinity is now urging political parties to include the policy recommendations put forward in their upcoming election manifestos, to help to prevent water shortages.

The Demos report investigates the factors preventing people from using less water, together with what is needed to ensure a resilient supply in both the near and long term. Leading experts were brought together from across government, policy makers, academia, home builders, climate experts, and the water industry, to consider how to prevent a looming national water crisis.

Keith Haslett, CEO, Affinity Water, commented:

"As the UK's largest water-only company, Affinity Water, and the wider water industry, have a responsibility to protect the UK's water supply and help customers reduce their water consumption.

"We are acutely aware of the challenge here and we are working to improve the resilience of our network, ensuring we do our part to save water. In 2022/23, we beat our 14 per cent leak reduction target, achieving 15.8 per cent and are progressing well towards our 2025 goal to reduce leaks by 20 per cent. However, we are not stopping there and aim to reduce leakage by 50 per cent by 2050."

Mr Haslett added:

"We are continuing with our efforts to reduce demand through investments in technology, and the exploration and delivery of successful demand management and customer behaviour change programmes. But to achieve even better results, we believe there is a need for a more collaborative approach involving government, regulators, and the industry, ensuring we tackle this issue from all sides."

To read the full Demos report, please visit: <https://demos.co.uk/research/flowing-forward-safeguarding-the-uks-water-system/>

The Demos report's eight policy recommendations are as follows, and are designed to act as a foundation for tackling water resilience in the UK:

- Resurrect the post of Minister for Water as a formal political position.
- Create a National Water Council, which brings together all relevant parties.
- Better training for plumbers and installers to reduce leaks and ensure that water-efficient products achieve maximum efficiency.
- Compulsory water meters for all households, including the removal of pre-installation inspections.
- Create a rapid "Greywater Review" to identify the feasibility of using greywater for businesses and recreational usage.
- More ambitious targets for new homes for water efficiency, aiming for 100 litres per person per day in water-stressed areas, and 110 litres in all other areas.
- An 'All-In-One' approach to retrofitting homes, so that water efficiency is included alongside energy efficiency.
- Explore the use of rising block tariffs, providing a range of tariffs which determine the price consumers pay based on usage.

A Fresh Water Future - Report sets out roadmap for water sector reform

An independent review, bringing together the views of the public and more than 400 water sector experts and stakeholders, has identified that people want nature recovery and water resilience to be prioritised by the next government.

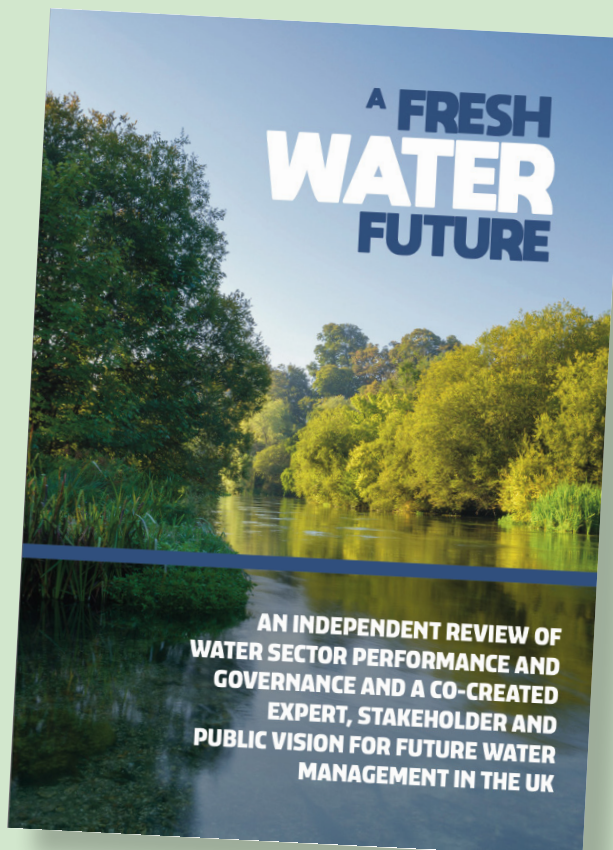
'A fresh water future' was launched by the Chartered Institution for Water and Environmental Management (CIWEM) at a parliamentary reception early in the new year with speakers including the new Minister for Water and Rural Growth, Robbie Moore MP, and the Shadow Minister for Flooding, Oceans and Coastal Communities, Emma Hardy MP.

The report, based on the findings from a detailed programme of research involving over 4,000 people, sets out ten recommendations for change. It argues that, over thirty years on from water privatisation, with widespread urbanisation and agricultural intensification, a fresh approach is needed – including potential reform of water regulators.

The key recommendations detailed in 'A fresh water future' include the following:

- A comprehensive, independent review of water policy and regulation, instigated by the Cabinet Office as soon as the next government takes office after a general election. This should report inside the first year so recommendations can be implemented over the remainder of its term.
- The establishment of a Defra 'Water Assurance Taskforce' to oversee a programme of 'open book' reporting transparency, governance and legal compliance by water companies.
- The implementation of a national-level smart water metering programme, alongside water efficiency labelling, minimum water-using product standards and variable tariffs.
- The introduction of a beefed-up, independently governed 'catchment system management' approach.

Fresh Water Future project lead and CIWEM director of policy Alastair Chisholm said: "The message from the public and experts is resoundingly clear: Our waters are under grave threat from all sides. The pressures are increasing. People want to see real action and leadership on water from the next government.



Chisholm added: "The sad irony in this work is there's nothing fresh here. All of it is known. But most of it has been paid lip service, ignored or delayed, perceived and presented as a cost-burden to growth, not a fundamental underpinning of it. What's changed is how clear the consensus is, from a big and diverse sample, that this neglect can't go on."

WRSE Organisational Director Lee Dance, who attended the report's parliamentary launch, commented: "This report is certainly thought provoking, and it's great to see the recommendations it includes around reducing demand for water in the years ahead.

"These actions are essential, if we are to achieve the ambitious reductions in water consumption set out in our regional plan and meet the Government's Environmental Improvement Plan (EIP) targets."

Focus on regional water planning at Countryside COP

Ahead of the COP28 international climate change event late last year, the WRSE team co-hosted a webinar on 22 November 2023 to discuss how regional water resources planning can support sustainable systems for producing food at commercial scale by farming.

Working with colleagues from Water Resources East (WRE), the online event was timed to take place during the third annual [Countryside COP3 week](#).

It provided an opportunity to increase awareness of water planning on a regional and inter-regional scale across the rural community, as well as discuss the water challenges we face and how to best work with the agricultural sector on opportunities for multi-sector approaches in future regional plans.

Kelly Hewson-Fisher, Director & Head of Rural Research at Savills and former National Farmers Union (NFU) Water Resources Specialist, chaired the webinar.

Presentations were given by a range of experts, including WRSE Organisational Director Lee Dance, Daniel Johns (Managing Director at Water Resources East), Dr Samantha Hughes from South East Rivers Trust (SERT) and Dr Steve Moncaster from the Broadland Agricultural Water Abstractors Group.

Six policy 'asks' were developed during the webinar, with these passed to the NFU to consider further. The areas highlighted were as follows:

- Multi-sector programme funding to be made available for regional water groups.
- Streamlining the process (e.g. planning) for local water resources options, such as managed aquifer recharge, reservoirs and water recycling.

- Supporting trials of nature-based approaches for groundwater recharge.
- Enabling a better understanding of need and risk, for water resources, for non-public water supply sectors, such as farming
- Supporting the set-up, development and ongoing work of water abstractor groups across the country.

The WRSE team will be reviewing and considering the six 'asks' and how they can be best integrated into forward planning for the next generation of regional and water company water resources plans.

A recording of the 22 November 2023 webinar is available online at: <https://vimeo.com/887990358>.



Have your say on commercial arrangements for new water resources schemes

RAPID, the Regulators' Alliance for Progressing Infrastructure Development, is seeking views on potential new commercial frameworks to support the efficient delivery of strategic water resources projects.

Its consultation is running until 29 February 2024, building on its initial engagement in 2021 on the regulatory and commercial set-ups required to support the development of such complex and large-scale solutions.

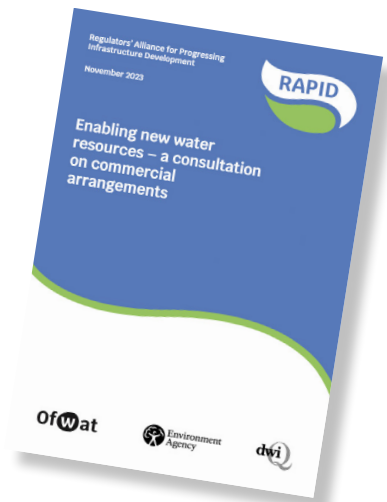
RAPID is a partnership of three water regulators (Ofwat, the Environment Agency and the Drinking Water Inspectorate, or DWI). Its remit is to provide advice and recommendations on the development of strategic water resources solutions to the partner regulators. Natural Resources Wales (NRW) is involved in an advisory capacity and has a decision-making role for any strategic water resource solutions involving Wales, Welsh policy and legislation.

In its consultation document, RAPID says: *"Historically, the [water] sector has not had to deliver such a significant programme of major infrastructure at one time. This means they may not have the necessary skills or capacity 'in house' for delivering these projects and there may be opportunities for accessing different funding models.*

"As a result, we are of the view that for the RAPID programme of projects, significant benefits could be derived for customers through competitive tendering of major infrastructure projects. This would allow third parties to design, build, finance, and potentially operate and / or maintain major infrastructure."

In particular, RAPID is consulting on its current thinking around two key areas, namely:

Commercial delivery models: Focus the competitive procurement on delivery of infrastructure, with each solution to be driven by a lead water company, to ensure clear and appropriate allocation of responsibilities and risk.



Contractual arrangements for water transfers: Produce updated guidance on bulk supply transfer agreements for RAPID solutions. This will also consider the standardisation of contract provisions, operation of solutions at times of drought or during other operational incidents, charging guidance and possible future use of statutory codes and / or charging rules.

Further information on RAPID's consultation can be found at: [Enabling new water resources – a consultation on commercial arrangements – Ofwat](#). The deadline for feedback is 29 February 2024.

Go ahead in California on regulations for turning wastewater into drinking water

The challenge of making sure there's enough water for people and nature is a global one, with the WRSE team monitoring and learning from different approaches being taken around the world.

To make California more resilient to hotter, drier conditions, the American state's Water Resources Control Board has approved regulations around converting wastewater into high-quality drinking water.

Known as direct potable reuse, the Board says the process will enable a climate-resilient water source to be produced, while reducing the amount of wastewater discharged to rivers and the ocean. It also added that recycling water will allow millions

of litres of additional drinking water to be made available over time, while avoiding costlier and more energy-intensive solutions.

E. Joaquin Esquivel, chair of the California Water Resources Control Board, commented *"This is an exciting development in the state's ongoing efforts to find innovative solutions to the challenges of extreme weather driven by climate change.*

"On top of helping us build drought-resilient water supplies, direct potable reuse offers energy savings and environmental benefits. And most importantly, these regulations ensure that the water produced is not only safe, but purer than many drinking water sources we now rely on."

Direct potable reuse relies entirely on immediate, multi-barrier treatment that can recycle wastewater to drinking water

standards in a matter of hours. This is in contrast with the method currently being used in major projects launched throughout California, called indirect potable reuse, which further improves treated wastewater over time through groundwater recharge or dilution with surface water. While no formal direct potable reuse projects could be initiated in California until the regulations were adopted, pilot projects have been launched in Santa Clara, San Diego and the city of Los Angeles in recent years.

More information about direct potable reuse can be found on the Water Resources Control Board's website at: [Regulating Direct Potable Reuse in California | California State Water Resources Control Board](#).



Key step forward in bringing desalination to Cornwall

South West Water is making progress in bringing desalination to Cornwall, after appointing Veolia Water Technologies & Solutions to move to the next phase of development.

Last year saw record levels of drought in the South West of England, putting pressure on the region's water resources.

South West Water has worked to increase supplies and build greater future resilience. Preparation for the impact of future climate change includes building the first desalination plant in Cornwall by the end of 2024.

This will provide a climate-independent source of water and protect the region against prolonged periods of hot, dry weather being driven by shifting weather patterns.

South West Water explored potential sites across Cornwall's coastline, considering any possible impact to the public, wildlife and the environment.

As a result, Par, in southern Cornwall near St Austell, has been determined as the most suitable location for desalination.

David Harris, Drought and Resilience Director for South West Water, said: *"The extreme weather conditions we faced in 2022 mean we are taking proactive steps to develop climate-independent sources of water. This will help us to become less reliant on rainfall*

and more resilient against the impacts of climate change in the future.

"We are working closely with our regulators and other key stakeholders to ensure we are delivering this project in the most responsible way and we are pleased to be working closely with Veolia to build and deliver the proposed desalination for the South West."

The desalination plant will provide South West Water with an additional, long-term, water source, capable of producing up to 20 million litres of water per day.

The desalination process will involve extracting seawater from St Austell Bay to receive initial treatment at the desalination plant.

The water will then be transferred to Cornwall's biggest water treatment works at Restormel for a secondary phase of treatment, before being supplied to around 300,000 people in Cornwall.

For more information, visit www.southwestwater.co.uk/desalination



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