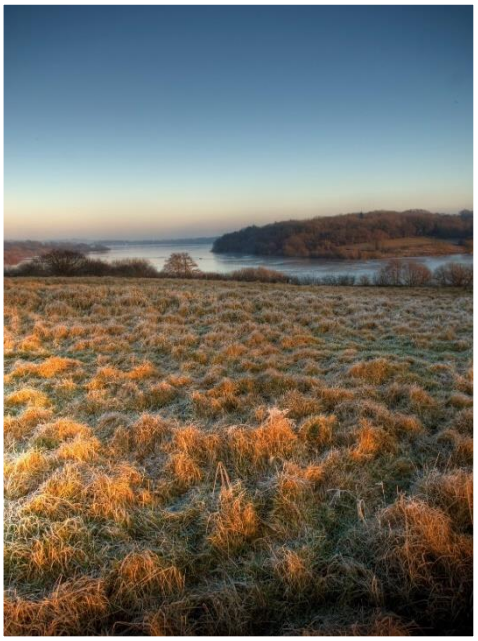


# Developing our “Best Value” multi-sector regional resilience plan

## Response to the consultation on our objectives, value criteria, and metrics

April 2021

# Section 1 Introduction

Water resources in the South East of England are under increasing pressure from a growing population, a changing climate, the need to protect and enhance our environment, and increase resilience to droughts and other extreme events.

Water Resources South East (WRSE) is an alliance of the six water companies that operate in the South East, working with water industry regulators and a range of stakeholders from across the region. We are developing a multi-sector regional resilience plan to 2100. Our ambition is to deliver a plan that provides a secure and sustainable water supply as well as additional value in the areas that matter most to the people of the South East of England. This means not simply identifying the most cost-efficient plan but developing a plan that balances cost alongside other benefits to society.

In February 2021 we published our proposed approach[1] to creating a best value regional resilience plan and outlined the objectives, criteria, and metrics that we proposed to use to assess the additional value delivered by the different water resource programmes for consultation. We held webinars in February 2021 to explain the approach and respond to questions and comments. We received 24 responses to the consultation. Thank you to everyone who read the document, joined the webinars, and provided feedback.

This report summarises the engagement we undertook to share and explain our approach (Section 2), the feedback we received, and our consideration of the main points raised (Section 3) and the next steps (Section 4).

[1] Developing our "*Best Value" multi sector regional resilience plan – A consultation on our objectives, value criteria and metrics*". February 2021

# Section 2 An overview of the engagement

WRSE presented an initial framework for best value planning, adopted from the UKWIR methodology[2], at a stakeholder meeting hosted by Affinity Water and Thames Water in January 2021, and based on the feedback received we refined our approach.

In early February 2021 we published "*Developing our 'Best Value' multi-sector regional resilience plan - A consultation on our objectives, value criteria, and metrics*" and asked for feedback to help further develop our approach. The consultation ran for 4 weeks and closed on 5 March 2021.

We held two webinars on 12 and 16 February 2021 at which we presented our approach in more detail and provided the opportunity for wider discussion, which was focussed on the criteria and metrics we proposed. In total, 75 stakeholders joined the webinars. We published recordings of the sessions and the presentation slide deck on our online engagement platform. A summary of the main discussion points raised during the webinars is presented in Appendix 1.

In February and March we also discussed the best value planning framework with the stakeholder groups set up to support and advise WRSE, namely the Stakeholder Advisory Board, Environmental Advisory Board, and the Multi-Sector group.

We posed six questions as part of our consultation and invited feedback via email or an online survey https://wrse.uk.engagementhq.com/consultations. We received 22 responses from organisations and two from individuals. The organisations who responded are listed in Table 1. Thank you to all who participated and provided feedback to the consultation.

Table 1 Organisations who provided feedback to the consultation

| Organisation |
|---|
| **Aqua fluency** |
| **CCW** |
| **CPRE Oxford (CPRE)** |
| **Chichester Harbour Trust** |

[2] UKWIR (2020) Deriving a Best Value Water Resources Management Plan

| |
|---|
| **Cotswold Canals Trust (CCT)** |
| **Cotswold District Council (CDC)** |
| **Environment Agency (EA)** |
| **Fairer World Linfield** |
| **Group Against Reservoir Development (GARD)** |
| **Historic England (HE)** |
| **Inland Waterways Association (IWA)** |
| **Kent Invicta Chamber of Commerce (Kent CoC)** |
| **Kingston Parish Council (Kingston PC)** |
| **Natural England (NE)** |
| **Oxfordshire County Council (OCC)** |
| **South East Rivers Trusts (RT)** |
| **Royal Horticultural Society (RHS)** |
| **RWE Generation UK (RWE)** |
| **South Oxfordshire District Council (SODC)** |
| **Southwark Council** |
| **Waterlevel** |
| **Waverley Council** |

# Section 3 Summary of stakeholder feedback and our response

In this section we present a summary of the feedback we received to the consultation on our proposed approach to the development of a best value plan and our response to the points raised. We asked six questions and have presented the feedback on a question-by-question basis, summarising the main issues followed by our consideration and response.

Overall, the feedback was positive, there were a number of points made on the detail of our proposed approach and respondents have encouraged us to consider some aspects further. We've reviewed these points and set out our initial response in this document and in May we will publish an overview document which confirms the overall approach including the final objectives, value criteria and metrics and an updated Method Statement on Best Value Planning which will include more detailed technical information on our approach.

## Q1 Do you agree with the objectives for our 'Best Value' regional plan?

### Summary

We proposed four objectives for our best value regional plan, as set out below, these are the specific goals that our regional plan will aim to deliver. We used insight from water company customers and stakeholders across the South East to help us understand their priorities, so our objectives seek to achieve what matters most to them.

## Your feedback

The majority of respondents supported a best value planning approach and the proposed objectives. There were a number of points raised on the objectives, the main points are summarised below:

- The objectives, whilst noted to be broad and high level, were supported, although CPRE noted that "the devil is in the detail".
- Further explanation was requested on the reasons for selecting these objectives and how they have been informed by Government and regulatory policy, as well as water companies, customers, and stakeholders.
- RWE suggested that there did not appear to be sufficient consideration of the needs of other sectors beyond public water supply (PWS), such as power/energy, manufacturing, farming etc and these should be visible in the objectives of a multi-sector plan.
- With respect to the objective "*Deliver long-term environmental improvement and social benefits*" comments were raised by SODC and OCC around the need to recognise both short and long-term environmental impacts and benefits.
- Several stakeholders noted that more detail is needed, with specific reference to the data that will be used for the metrics, and how the inter-dependencies and trade-offs between objectives will be managed. NE advised that they want to see criteria that clearly assess each plan's ability to deliver not only protection of designated sites and protected landscapes but also assessment of which plans contribute most to the restoration objectives for designated sites and wider biodiversity/protected landscapes.
- GARD proposed that there should also be objectives which focused on the avoidance of potential adverse aspects of the major infrastructure developments such as creation of a flexible regional plan which recognises the high uncertainty in future demands for water, avoidance of excessive impacts on local communities.

## Our response

- Water companies have a statutory duty to develop and maintain an efficient and economical system of water supply and to ensure that arrangements have been made to achieve this and to prepare, publish and maintain a Water Resources Management Plan which explains how this obligation will be achieved[3]. The Water Resources Planning Guideline[4] sets out the requirements for companies to follow in producing their plans and the Environment Agency's National Framework[5] gives details of the indicative scale of challenge facing future water resource provision in England and requires water companies to work together in regional groups to meet the challenge and develop a cohesive set of water resource plans. We developed our framework

[3] Section 37, Water Industry Act 1991
[4] Water Resources Planning Guideline, February 2021
[5] Environment Agency National Water Resources National Framework, March 2020

of objectives, criteria, and metrics with reference to the National Framework and the Water Resources Planning Guideline as primary reference sources to ensure our plan will meet legal, regulatory and policy expectations. Specifically, Section 9.2 of the Guideline sets out a suite of factors that need to be considered in the development of a best value plan including cost, affordability of your customers' bills and intergenerational equity; resilience to drought and non-drought events; environmental protection and improvement with specific reference to biodiversity, natural capital, net zero carbon; as well as customers' preferences. We ensured that our proposed framework and overall approach covered all the factors identified in the Guideline. We also used insight from water company customers and stakeholders across the South East to help us understand their priorities and used this to shape the framework to reflect what matters most to them. We recognise that the four objectives are high level, but they are underpinned by criteria and metrics that give further detail and enable assessment of additional value.

- The needs of other water users are integral to our regional plan alongside public water supplies, and we can confirm that this is reflected in the first objective in the reference to "other users". We do, however, agree that it would be helpful to make this clearer within the objectives. We, therefore, propose to edit the first objective to make clear that the regional resilience plan will address the needs of both public water supply requirements and the additional requirements for water from other sectors. We propose to amend the objective to "*Deliver a secure and wholesome supply of water to customers and other sectors by 2100*". We are working with other sectors to assess their future water requirements, determine if these can be met through their current arrangements and if not, take account of the shortfall in setting the future requirements for the region. In addition, the fourth objective and the resilience assessment, takes account of both public water supply and other sectors. We are continuing to work with multi sector partners to ensure the resilience of their needs are integrated within the plan, both now and into the future.
- In response to comments on the importance of both near term and long term planning the third objective "*Deliver long-term environmental improvement and social benefit*" will be amended to "*Deliver environmental improvement and social benefit*".
- We note the request for more detail on the criteria and metrics including the data sources and how the decision making and trade-offs between criteria will be considered and will address these points in the updated Best Value Planning Method Statement which will be published in May 2021.
- We note the additional objectives proposed by GARD – including uncertainty in future demands for water and avoidance of impacts on local communities – and can confirm that these are part of our approach. For example, the consideration of uncertainties is part of the adaptive planning approach and the Strategic Environmental Assessment (SEA) includes objectives to "Conserve, protect and enhance landscape, townscape and seascape character and visual amenity", "Maintain and enhance the health and wellbeing of the local community, including economic and social wellbeing" and "Avoid negative effects on built assets and infrastructure". We will

continue to share, and discuss, the assessments as work progresses with GARD and all other stakeholders.

## Q2. Is the way in which we will assess 'Best Value' clear and understandable? If not, please explain why.

### Summary

Each objective is represented by a set of value criteria which, in turn, have associated metrics that will measure the additional value provided. We will use the criteria and metrics to assess the different programmes, explain the differences between them and articulate the additional value each delivers. Some of the value criteria are described as constraints reflecting things that we 'must do' in terms of legal and regulatory requirements and other criteria are described as optimised criteria and will help identify where value is added to differentiate between the programmes.

### Your feedback

At a conceptual level the majority of respondents considered the approach to be clear and understandable, albeit a number of stakeholders expressed an appetite for more detail. IWA suggested that an example of how the assessments would be undertaken in practice could help to illustrate the process. There were also a number of detailed points raised; the main points are summarised below:

- To provide confidence in the process, and a robust output, a clear assessment method for each criterion is needed. CCT flagged the importance of informed stakeholders contributing to the assessment thereby enhancing the quality of the process and outputs.
- More information is needed to explain how the metrics are intended to be used to assess value, for example, to what extent they are intended as objective measures, or are they considered to be a starting point for subjective discussions. One stakeholder suggested that there is potentially too much emphasis on metrics, and insufficient recognition of the need to consider less measurable aspects. GARD agreed that numerical evaluation using metrics is reasonable but emphasised that this is part of the determination of best value and that there will need to be clear and well written arguments to explain and evidence decision making.
- How trade-offs between criteria will be assessed in practice needs to be more clearly explained. For example, how a high value against criteria in one plan would be compared against high values for different criteria in a different plan and how different units (e.g. Ml/d, £m) are compared against each other.
- CPRE called for greater clarity on the adaptive planning approach and how uncertainties in the planning challenges (e.g. in population growth, demand management, leakage reduction, etc.) will feed into the adaptive planning. GARD suggested that WRSE needs to justify what scenarios they will consider when evaluating programme options and proposed that there should be a

minimum of ‘low’, ‘medium’ and ‘high’ scenarios. Furthermore, there was a suggestion that there is a need for updates and explicit feedback loops as new information becomes available. This was a point made by both GARD and CPRE.

- The role of the regulators in assessing the performance of the alternative programmes was questioned, as well as concern that other water using sectors do not have a sufficiently strong voice in the decision-making process, noting it is intended to be a multi-sector plan.
- One stakeholder suggested that a clear framework and timeline was needed for a review of the suitability of the criteria chosen in the future, and how changes might be made if some are found to be unsuitable.
- The need for greater engagement with Local Planning Authorities over the development of statutory Local Plans to ensure that adequate wastewater treatment provision is in place, and to ensure that water-retention and nitrate-reduction initiatives are built into future housing development was highlighted by Chichester Harbour Trust.

## Our response:

- Stakeholders have raised a number of points regarding the overall investment appraisal process including the assessment methodology for each criterion; the trade-off between criteria in terms of the mechanics and decision making; the adaptive planning approach and dealing with uncertainties; and the role of regulators and other water using sectors in the decision making. We acknowledge these points and the importance of clarity and transparency in the appraisal and decision making process. The scale and complexity of water resources planning requires the use of advanced decision support tools and methods to ensure a robust solution is reached and we will include further information of the staged approach we are following in our updated Best Value Planning Method Statement which will be published in May 2021. The updated Method Statement has been developed taking account of industry guidance and best practice and will clearly explain the approach, the decision support tools and the decision making process that will be followed to identify and test potential investment programmes.
- Specifically in relation to the use of metrics in the decision making process. Decision making at all levels is a balance of objectivity (things are objectively calculated) and subjectivity (points of view). It is not currently possible, or we would suggest, desirable to programme a model (or models) to consider all the variables within water resources planning and leave the model to make the decisions. The models are tools to aid decision making. There is always a balance of evidence as provided by the decision support tools alongside subjective assessment and judgement, taking the views of stakeholders in the round. The Method Statement referred to above will set out the step-wise approach we will follow and in our draft plan, which will be published for consultation in early 2022, we will clearly set out the assessments and decision making to ensure transparency in our decisions and there will be opportunity for stakeholder scrutiny and comment throughout the process.
- In addition, there are several quality assurance processes at key stages of the development of the regional resilience plan to provide confidence in the data inputs and process that are being

followed. For example, the water companies will complete assurance of data submitted to WRSE; in turn where WRSE generates data which is provided to the water companies to use this will be assured through the providers assurance process and where necessary we will also seek views from independent experts. Where WRSE undertakes analysis, our independent assurers will check that we have followed our method statements. These checks and balances will be made available to all stakeholders and be subject to scrutiny by the WRSE stakeholder advisory groups, Senior Leadership Team and regulators.

- In respect of adaptive planning we intend to use adaptive planning methods as part of the investment model to identify a range of alternative investment programmes (i.e. combinations of options) that resolve the integrated risk problems to 2100. More detailed information is included in the updated Best Value Planning Method Statement which will be published in May 2021. In addition, in response to requests from stakeholders, we have committed to host a webinar on the adaptive planning approach and dealing with uncertainties to help stakeholders understand the process and provide opportunity to discuss this topic. The webinar will be held in June, the date is to be confirmed, and details will be provided to all stakeholders who have registered interest in WRSE.
- A concern was raised around the ability of other water using sectors to participate in the decision-making process, and we can confirm that the WRSE Stakeholder Advisory Board, which has representation from a range of water using sectors, will have an active role in considering alternative plans and the decision making including providing a recommendation to the WRSE Senior Leadership Team.

## Q3. Do you agree with the optimised criteria and metrics we will use to develop and identify the 'Best Value' water resource programmes? Are there any that you don't think should be included? Are there any missing?

### Summary

A suite of criteria and metrics were included in the consultation document for each objective to be used to help shortlist the 'Best Value' programmes and consider the differences between them. The criteria were defined as either constraints – these are the criteria that all the water resource programmes must deliver so they are compliant with legal and regulatory requirements and policy expectations, or optimised – these are the criteria to be used to help identify additional value; some have a legislative or regulatory requirement and where this is the case the criterion reflects activity beyond what is regulatory, statutory or policy requirement.

### Your feedback

There were a wide range of comments on the criteria and metrics. A summary of the main points raised is set out below:

The Environment Agency (EA) set out a number of overarching points which included:

- The need to use a wide range of best value metrics in the decision making.
- Consider the variation in the constraints so as not to pre-judge the outcomes.
- Identify the potential risk of double counting of benefits and how this is accounted for in the plan development, thereby ensuring no bias.
- Sensitivity analysis for metrics when they are uncertain or subjective.
- Need to re-optimise the preferred programme if changes are made to the objectives or metrics
- Robust data and analysis to ensure that the delivery of long-term outcomes and objectives can be measured over time plus the opportunity to develop the portfolio of metrics over several planning cycles as better information becomes available.
- Recognition that not all elements of decision-making can be adequately captured through metrics and these aspects need to be set out.
- Consistency in the use of metrics by the water companies in their WRMPs for transparency.

General points on the criteria and metrics:

- Some stakeholders requested further information on the criteria and metrics and how these will be applied, to enable them to give a full view on their suitability.
- Criteria and metrics are based on subjective judgements and therefore should be presented as tools to inform the discussion rather than decision making.
- The methods and outputs of the assessments need to be transparent and any overlap, or double counting, between criteria and metrics needs to be clearly set out. NE raised a concern around the relative weighting between each criterion and the relative weighting of elements within individual criterion noting there are different underpinning statutory frameworks.
- There are significant uncertainties in long term planning and how to build uncertainties into a metric-led assessment is not clear.
- Some metrics are set as constraints, e.g. leakage reduction and abstraction reduction, however there is opportunity to go beyond the constraint values, such as taking action beyond the constraint threshold and as such there is an opportunity for an optimised criteria.
- For some metrics, to use an absolute number for the region does not provide the full insight and it may be better and more informative to provide spatial information, for example abstraction reductions in sensitive locations.
- There was a call for sharing and transparency of the assessments, specifically the SEA for specific options were requested and the methodologies for Natural Capital and Biodiversity Net Gain were highlighted specifically.

Specific points on the criteria and metrics:

- “Meet the supply demand balance” – GARD was critical of this criterion stating it is a requirement and questioned how a profile can be measured. Furthermore, GARD stated that the approach does not address how to deal with uncertainty in forecasts for population growth, water demand, climate change, modelling system performance, and abstraction reductions, to 2100 and therefore GARD proposed that this criterion be replaced with a criterion reflecting adaptability to varying Supply Demand Balance ’. Furthermore, GARD highlighted the need for more explanation on what the programmes will adapt to and how they will adapt.
- Abstraction reduction – framing environmental destination in terms of abstraction reduction was challenged, with a call for consideration of alternative approaches to be considered. In addition, the need for demonstratable evidence was made and GARD suggested that WRSE needs to produce a methodology for assessing Best Value in abstraction reductions and determining the appropriate level of abstraction reduction.
- There were challenges around whether the ‘50% reduction in leakage by each company by 2050’ – is sufficient and whether there should be more ambition to reduce leakage. GARD also challenged the regional differences in leakage and the need for greater ambition beyond 50%.
- Water consumption was supported as a criteria reflecting the need to achieve more efficient use of water however some, including GARD, called for more information on how water consumption will be optimised to provide best value and challenged the need for greater ambition. The Rivers Trust argued that it should be a constraint based on the National Framework’s ”low demand” scenario of reducing national PCC to 110 litres/person/day by 2050, in the absence of a Distribution Input target.
- A metric reflecting the views of customers was challenged on the source and subjectivity of the information. It was suggested that customer preference may not be adequately informed by an understanding of technology, costs and benefits and would depend on local experiences and effects; the need to understand the views of future customers was highlighted, suggesting that future customers are likely to have very different views and outlook to customers today. Furthermore, the energy sector challenged the interpretation of water company customers only, the WRSE plan could have consequences and costs (both direct and opportunity) for sectors that don’t rely on the public water supply.
- The need for transparency around costs was noted by several stakeholders with GARD proposing a format for the breakdown of NPV cost data and further transparency in capital and operating cost data. It was suggested that small differences in cost should not be considered important as a means of assessing one option against another. Another stakeholder suggested that potentially natural capital should be included as part of the cost metric. GARD proposed that the impact on customers’ bills should be an additional measure of cost acceptability and proposed an additional component relating to water company financing and additional criteria reflecting the acceptability to household and non-household customers in terms of the bill impact.
- The approach needed to provide better outcomes for future generations, for example, a programme that chose to focus on lower environmental impact (carbon footprint), could be

more expensive to deliver now but would have greater benefits (and potentially lower costs) for future generations and it was questioned how this would be reflected.

- Intergenerational equity – one view was that the regional plan should allow for different options progressing at different times in order that the cost burden is spread out.
- The majority of respondents supported the use of the outputs of the SEA. There were a few comments in relation to the SEA assessment and how the SEA criteria interface with other specific criteria such as natural capital, biodiversity net gain and carbon and if there is duplication. There was also a call for further information on how these criteria will be optimised.
- Long term environmental improvement - 'abstraction reduction' is the only constraint criteria identified for this objective. It was suggested that in many cases abstraction reduction will only serve to stop or reverse deterioration, rather than actively improve the environment and it was therefore proposed that there needs to be more ambition in a Best Value plan for the environment to include at least one constraint criteria that reflects active improvement. One respondent also set out the need to connect activity to the local community.
- The proposed criteria for non-public water supply is set as an optimised criteria and as such it does not seem to reflect that the availability of water will be vital in underpinning investment in new non-PWS water-dependent assets. One respondent raised that water requirement for food production and animal welfare should be recognised as essential alongside domestic consumption.
- Carbon is proposed to be measured as the cost of carbon offsetting. There were several comments on this, with some respondents stating a preference for assessment of the actual quantity of carbon offset, rather than its monetary value. Other suggestions included the consideration of minimising the carbon footprint or the use of full carbon accounting, including all construction and procurement carbon costs, instead of offsetting. Stakeholders were keen to understand the methodology for calculating the carbon cost of individual options and GARD raised the need to consider the effect of future technological development. RWE agreed that there should be a carbon/energy metric; however, this should not be used in such a way as to force or unreasonably incentivise achievement of carbon net zero at individual project, water resource zone, water company or regional level; recognising the wider market's ability to deliver net zero decarbonisation to the water company for power/energy production.
- 'Natural Capital' enhancement is a policy expectation and it was therefore suggested that it should be a constraint and it was recommended that the approach takes account of the condition of the assets and services provided, rather than monetary assessments which are limited in the ecosystem services they can assess. Furthermore, WRSE needs to clarify if the assessment of natural capital is across a catchment or at site scale. The Rivers Trusts' expectation is an assessment across the entire catchment to account for the reliance of water companies on the ecosystem services provided by these catchments, as well as the impact on them.
- Biodiversity Net Gain criteria raised a number of comments. The metric is considered to be of limited functionality for linear features such as rivers, and does not take adequate account of the impact of low flows on the ecosystem and therefore its suitability as a metric for assessing the

impacts of water resources plans and abstractions was raised. A flow-related metric, and one that also accounts for the impact on the groundwater body, not just the river itself, would be preferable and gives a more accurate picture of environmental enhancements. It was also suggested that the net gain should be local as far as possible and should help to promote catchment-based and nature recovery solutions. It was also recommended that a more holistic approach should be taken rather than biodiversity net gain, by looking at environmental net gain. NE also commented that the national net gain biodiversity tool itself is not designed for and may not be the best tool to compare one plan with another to ensure the WRSE environmental destination objectives are met.

- CPRE challenged the 1 in 500-year drought resilience criteria as already quite extreme particularly when there are other safety margins considered. GARD also raised similar points in its response.
- The proposed optimised criteria under the resilience objective were broadly supported although the need to explain these criteria more clearly was flagged.

Additional comments and criteria and metrics were:

- Programmes that have a limited carbon footprint or impact on the natural environment should be prioritised.
- Programmes that will not impact on the delivery of other social objectives, such as the delivery of new houses, should be favoured.
- CCT highlighted that the SEA covers both environmental and social aspects, yet natural capital and biodiversity net gain have been identified in their own right, and questioned whether social benefit in terms of recreation, well-being, and heritage should also be identified beyond the SEA.
- Water quality, wastewater treatment, groundwater infiltration and Sustainable Drainage Systems (SuDs) were flagged as missing.
- Water companies need to have greater input to modern house and office building fabric to ensure the maximum pressure on water conservation and recycling.

## Our response

There are a number of helpful points raised on the criteria and metrics. For clarity we will produce a revised document to confirm the objectives, criteria, and metrics that we will use as part of the Best Value planning process. We will also produce an updated Method Statement on Best Value Planning as referred to earlier which will present greater detail. In summary, our response to the points raised are as follows:

- We will use a wide range of best value criteria and metrics to support the decision making to determine a shortlist of alternative plans. Very importantly, there will be a narrative which clearly articulates the assessment and decision making process that has been undertaken to appraisal these alternative programmes, the output of which will then identify the preferred plan. The WRSE stakeholder advisory groups will be engaged and input to this work and there

will also be engagement with customers and stakeholders as part of this process, and consultation on the draft Plan in early 2022 followed by statutory consultation on draft WRMP24s led by the individual water companies. It is intended that all the South East water companies will utilise the same criteria and metrics and if there are deviations then the companies will set out the reasons for these changes.

- We note the request for further detail on the criteria and metrics and we will ensure this is included in the Best Value Planning Method Statement, and in other relevant Method Statements, and that this information is clearly signposted.
- We will explain if there are any potential risk of double counting of benefits and how we have accounted for these in the plan development, thereby ensuring no bias. Specific areas highlighted are inter-relationships between the SEA and criteria reflecting aspects of the environment such as biodiversity and carbon.
- We will undertake sensitivity analysis to provide confidence that the assessments and the plans are robust, and to understand the impact of different scenarios. For example, if the selection of options in the early part of the plan (first 15 years, which is equivalent to three planning cycles) are not affected when we use an appropriate range of different costs or benefits sensitivities then this provides confidence regarding the selection of the schemes. If they are sensitive then further work and consultation with WRSE advisory groups, customers and stakeholders would be undertaken to set out the trade offs and choices around the plan. This sensitivity would also be drawn out in the public consultation to seek views on the preferred and alternative plans.
- We will host a webinar on adaptive planning to address concerns raised about how uncertainty in forecasts, for example, for population growth and climate change, and how it will be accommodated to ensure visibility and confidence in the approach. We plan to hold this webinar in June and will confirm the date to stakeholders.
- Abstraction reduction – Our programme of work is bringing all abstractors together to develop a shared understanding of the evidence and possible future environmental destination. Our work does not commit any abstractors to changes in abstraction, it only helps make better informed decisions on water resources investment and management for a resilient and sustainable future by 2050. Changes in abstraction would be determined from a bilateral review of site-based evidence between abstractors and the EA and phased in across the region.
- Leakage reduction is set with a constraint of 50% reduction in leakage by each company by 2050; this is the commitment made by the water sector and supported by government and regulators but there is opportunity to go beyond the constraint values, and where this is the case it will be tested in the plan as an optimised criteria. We will also consider if some criteria should be presented at a company level or a more local level.
- We are committed to include a criterion around water consumption. There is not currently a national target for reducing water consumption to 110 litres/person/day by 2050, and it may not represent best value for either customers or the environment. This is a complex area and there is work currently underway on this topic led by Defra. We support a framework, including policy measures and targets, which help to achieve the efficient use of water, and will keep this under

review and if, and when, there is a mandatory requirement we will adopt this, noting this may be as part of the next cycle of regional plans.

- Water quality, wastewater treatment, groundwater infiltration and SuDs were flagged as missing. The resilience framework developed by WRSE enables us to better take account of the benefits and opportunities across these different aspects of wider water management and can therefore confirm that these are part of our assessment. Furthermore, we are cognisant of the need to foster more integrated planning and are considering the issues and solutions at a catchment level and engaging on the development of Drainage and Wastewater Management Plans (DWMPs).
- The views and preferences of customers is important in determining the regional plan. This is in line with the expectations of government and regulators, who require water companies to understand customers' needs and expectations and reflect these in decisions, as it is water company customers who will ultimately pay for improvements to water supply and infrastructure development. Furthermore, the design and execution of the research with customers which will inform the metrics has been overseen and scrutinised by CCW and the regional Customer Challenge Group.
- Cost is an important parameter and the metrics for programme costs and inter-generational equity were supported. Cost data will be published in line with regulatory guidance. There is already information published as part of the Market Information which is in a standard format for all companies and prescribed by Ofwat. In addition, the impact on customer bills will be tested as part of the customer research, and in discussion with regulators, to ensure affordability is considered.
- In respect of ensuring better outcomes for future generations, for example a programme that delivers a lower environmental impact (carbon footprint) which could be more expensive to deliver now but which would have greater benefits (and potentially lower costs) for future generations, is integrated in the approach by considering the development of the solutions in the short term against longer term objectives regarding the environment, carbon, cost on future generations, improving resilience and securing longer term sustainable abstractions.
- There is an objective to reduce embodied and operational carbon emissions as part of the SEA as well as the optimised criteria for the cost of carbon offsetting (£m). Noting the many comments on carbon we will ensure the methodological approach adopted is clearly set out in the updated Best Value Method Statement. For example, when we consider the impact of the plan on carbon, we will ensure that the plan supports the water industry commitment to reducing net operational carbon to zero by 2030. We will also assess the additional carbon required to implement the options in the plan (embedded carbon) and show how plans seek to balance the additional carbon through a combination of minimising the additional carbon by considering alternative schemes and / or materials and by offsetting.
- There were several comments on the limitations of the Biodiversity Net Gain criteria as currently defined; our proposed approach is based on best available information but we will engage with NE and The Rivers Trust to draw on their expertise to ensure we define and use this criteria to

best effect. The requirement for water companies to assess the Biodiversity Net Gain of their investment programmes is included within the Water Resources Planning Guideline.

- The Water Resources Planning Guideline sets out the need to plan to 1 in 500-year drought resilience, this has also been endorsed by Treasury[6], and as such this is set as a constraint in developing our plan. We have followed the Guideline in determining the appropriate safety buffer in planning for water resources and whilst we note the comments raised by stakeholders in respect of the safety buffer applied, given the significant issues in the region and the consequences to society, the economy and the environment of water shortages, we concur with the government's position and do not consider there to be justification to deviate from government policy.
- We welcome the comments provided on the best value criteria and metrics and will continue conversations as work progresses. As well as ongoing dialogue during the development of the approaches and technical assessments, the draft regional plan and draft WRMP24s have consultation phases and therefore in essence there will be two sets of consultations on water resource schemes over the next two years. The regional plan provides an opportunity to set out a strategy for the South East using the best value objectives. Where necessary the regional plan will be updated and revised. The revised regional plan will then inform the companies' WRMP24s, which will then go out for further consultation.

## Q4. Should the regional policies also be included as value criteria and, if so, should they be a constraint or used to optimise the alternative water resource programmes?

### Summary

In August 2020 we consulted on polices which could be delivered through the regional plan. Since then, some of these policies have been formally included within the policy and regulatory requirements that we must deliver, for example the 1 in 500-year drought resilience, and as such have been included in the list of constraint criteria. There are four policies that remain at our discretion, these are the use of drought orders and permits; a common level of service for temporary use bans across all six WRSE companies; provision of water to support those with private water supplies during droughts to overcome public health and animal welfare; and the application of equal standards and principles between regions specifically in respect of inter-regional transfers.

### Your feedback

The majority of respondents supported the inclusion of the regional policies in the assessment to inform the development of the plan and the need for consistency, as far as possible, across the region. There

[6] National Infrastructure Strategy, November 2020, presented to Parliament by the Chancellor of the Exchequer

were mixed comments on whether these should be constrained or optimised criteria with RWE noting that there has been no impact analysis to date and therefore they should be optimised criteria rather than 'must have' constraints. Other respondents, including Waterlevel, noted that it is important to understand the consequences prior to giving a view.

SODC suggested that high priority should be given to transferring in water from other regions where it is needed and if the water companies operating in neighbouring regions have different environmental standards then this could be addressed through working together to agree appropriate standards. Similarly CPRE advised that transfer schemes should be designed to meet water quality and environmental standards and there is no need for another value criterion although there may be other policies such as leakage reduction targets and per capita consumption which need more uniformity and ambition across the companies.

GARD did not support the inclusion of additional criteria, with the following specific points on the remaining policies:

- Drought orders or permits that are deemed harmful by the Environment Agency, and do not meet regulatory requirements, should be excluded with a clear evidence trail to support the decision.
- There can be legitimate reasons for differences in level of service for temporary use bans across the companies and there is no need for 'one size fits all'.
- Provision of water to those with private supplies during droughts would be unjustified 'nanny-ing'.
- Transfer schemes should be designed to meet water quality and environmental standards, with any required mitigation measures reflected in scheme costs.

## Our response

Since the consultation on policies, as part of the statutory drought planning process all the South East water companies have aligned to ensure common standards for Temporary Use Bans and Non-essential Use Bans, these are detailed in the Drought Plans submitted to Defra on 1 April 2021. In addition, the Drought Plans set out the full range of Drought Orders and Permits the companies would consider using to maintain supplies during drought events. Whilst each Drought Plan has a range of Permits and Orders each of the companies have put forward a sub-set of these that could be considered as options in the regional plan when meeting the 1:500 year drought resilience standard. When we derive the regional plan, we will test to see what the plan looks like with and without these drought options to allow an informed choice to be made on whether to include them in our preferred regional plan. This will also be a point we consult on during the consultation on the draft plan in early 2022.

We do not intend to include additional criteria for the other policy measures but will consider these policies as we develop the multi sector regional resilience plan and in doing so will understand, and

clearly explain the consequences of the enactment of these policy decisions. We will share these with customers and stakeholders as part of the review of alternative programmes and determination of the preferred programme and set out this information in the draft plan to be published in January 2022 for consultation.

Specifically in terms achieving consistent environmental and water quality standards for inter-regional transfers, we are working collaboratively on a range of potential schemes and will explore these issues in detail with regulators, stakeholders and customers and this information will be included as part of the draft WRMP24s, which is in line with the Strategic Resource Option regulatory Gate 2 assessments.

## Q5. Do you agree that all the criteria should be equal, or should some be given more weight within the plan? If so, which ones should have a higher weighting applied

### Summary

We want to understand if customers and stakeholders think some criteria are more important than others, so that we strike the right balance between them in the development of the regional plan. We intend to start from the point where all the optimised criteria are equal and based on feedback will determine if certain criteria should be given more weight than others.

### Your feedback

There were wide ranging views on the application of weighting to some criteria. Some respondents supported equal weighting of all criteria. Others suggested that some criteria should have a higher weight applied. NE's view was that criteria which have a statutory basis should be weighted equally as they are requirements, whilst non-statutory criteria should be given a lower weighting. A number of respondents suggested that if weightings are applied there would need to be a clear and justified methodology, and there should be sensitivity testing of programme selection to any weightings applied. SODC suggested that if customers' views are sought on weighting it is important to ensure the views of future customers are included noting the long term planning horizon. Another respondent advised that stakeholders need an opportunity to contribute to weighting decisions alongside customers.

A summary of the main concerns in relation to weightings is given below:

- The relative importance of the value criteria is potentially subjective and open to bias based on preferences. For example, GARD argued that Biodiversity Net Gain reflects a secondary benefit and one where the outcome often cannot be guaranteed, and therefore should not be given the

same weight as Programme Cost, where there is a causal effect on the lives of all customers in the South East.

- Weighting may lead to trading off parameters against each other e.g. social and environmental benefits.
- Noting it will be hard to achieve a consensus on weighting of the value criteria, sensitivity testing using different weightings is needed, although GARD argued that the selection of the sensitivity weighting variations is in itself subjective and potentially contentious.
- The role of criteria in the decision making process needs to be clear ahead of a decision on weightings; this was raised in the context that the process and governance arrangements are biased towards PWS and may not deliver a plan that fully and appropriately reflects non-PWS considerations.

## Our response

The feedback highlighted the complexity involved in determining and ascribing weightings. We intend to test the criteria with a representative sample of customers to understand their views on the principle of weighting, and to ascertain if they have preferences for specific criteria. We intend to involve the regional CCG in this to ensure the approach to gather customers views is robust and appropriate. The output of this work will be shared to continue the conversation with stakeholders on this complex area noting the disparity in opinions. If we decide to apply weighting to criteria, we will set out the methodological approach and provide robust evidence to justify weighting some criteria more than others.

The use of weightings however will allow the generation of alternative plans. This is an important consideration, especially with the selection of the schemes in the first 15 years of the plan. If these schemes are consistently chosen through a range of different weighting and in the context of future challenges and large uncertainty, then this provides confidence that these are the best schemes in the short term. Where schemes in the short term change, the use of different weightings will also show which schemes are sensitive to which criteria. By exploring the change of the best value criteria across these different plans we can then determine which perform best and more robustly which will help inform our choices for nominating and then consulting on a preferred best value plan.

# Q6. Do you understand the engagement process we are following to identify our preferred 'Best Value' regional plan and are you clear on how you can get involved and input?

## Summary

During summer 2021 we will engage with a representative range of customers from all six water companies in the South East and will use the criteria we have developed to help us explain how the different programmes perform against the objectives and the additional value they deliver, and seek their feedback. We'll also use our WRSE Stakeholder Groups to have in-depth discussions about how the different water resource programmes perform for key sectors and present the results of the research. We'll share this with the wider stakeholder community. We will also carry out a public consultation on our preferred multi-sector regional resilience plan in January 2022, revise our plan in response to feedback, following which the six member companies will develop their individual draft Water Resources Management Plans (WRMPs) which will be published in autumn 2022 for further consultation.

## Your feedback

Overall stakeholders confirmed their understanding of the process and welcomed the opportunities to input, with some commending the clear and accessible documentation and the webinars to explain the information.

The EA advised that it is important to show how customer and stakeholder views have been considered, and that the process is clear.

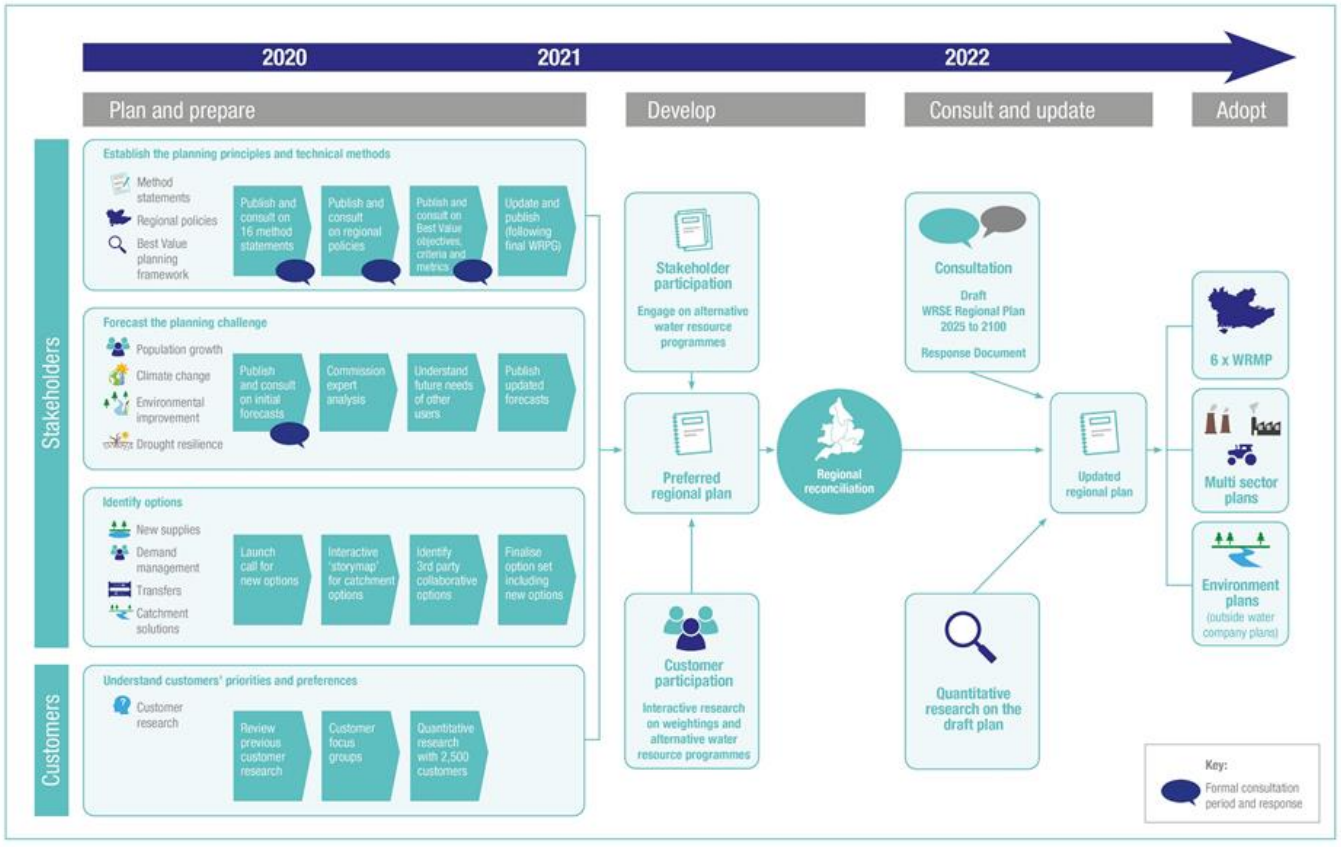
One stakeholder raised frustration that whilst there have been stakeholder events and consultations, it is not easy to interpret what the information means for local authorities or local areas. GARD was critical of a number of aspects of the engagement activity including the lack of detailed technical reports and information at this stage in the process and lack of opportunity for more detailed technical discussions.

In summary the main issues raised are noted below:

- Concern that there is insufficient detail available to make in-depth comments.
- Need for clarity on how feedback to consultations is considered in shaping the plan and how conflicts and different views will get resolved, not only between stakeholders, but also as part of the decision making and sign-off of the plans.
- Specific options were mentioned by a number of stakeholder organisations. For example, CCT highlighted that it is not clear if, and when, there will be an opportunity to review detailed option information.
- The role and involvement of regulators involved in the development of the plan was queried.
- Water companies are required to explain differences between their WRMPs and the regional plan, and the EA suggested that it may be helpful for an independent audit to check for divergence.
- RHS specifically highlighted their appetite to work with WRSE to help to reduce demand and increasing resilience to drought and flood.

## Our response

We are committed to engage, and share information, with stakeholders in an open and transparent way throughout the development of the plan. There is wide interest in water resources amongst local communities and stakeholders, with varying knowledge and capacity for engagement, and as such we try to ensure information is accessible to all stakeholders. We will try to accommodate requests for additional information where this is available, subject to commercial confidentiality restrictions. We also welcome the opportunity to work in partnership with other organisations and will contact RHS to explore opportunities for future working. The majority of stakeholders expressed satisfaction with the approach and the following diagram illustrates the engagement to date with stakeholders at formative stages of plan development and the opportunities that have been provided to enable feedback and comment. Where we have consulted stakeholders we have listened and responded to feedback in a response document.




A number of stakeholders have highlighted their interest in specific options. Over the past 18 months we have undertaken detailed work to develop a coordinated process to identify, assess and screen options that will be taken forward to the plan. We have shared information on the options appraisal

process and in response to stakeholders' feedback will host a fortnight of workshops in May to give stakeholders the opportunity to "deep dive" on options.

There are wide ranging views within the stakeholder community and as such it will not be possible to develop a plan which satisfies all stakeholders but we will listen and clearly explain how our choices and decisions have been made, and how different choices could change the proposals in the Plan, working to produce a balanced plan that delivers resilience for all water users across the South East. The regulators are working alongside us, and other regions, and as part of their statutory role will determine if the approach and decision making is objective and well evidenced.

The South East water companies are committed to produce a collaborative plan for the region, as are a wide range of other water using sectors, and will use this as a blueprint to develop their WRMP24s; any changes and deviations from the regional plan will be clearly set out and explained and there will be opportunities for stakeholders to feedback via consultations on the draft regional plan in January 2022 and draft company WRMP24s in autumn 2022.

# Section 4 – Next steps

The Best Value planning approach is promoted by the Environment Agency in the National Framework and the Water Resources Planning Guideline. Our ambition is to deliver a multi-sector regional resilience plan that meets legislative and regulatory requirements and policy expectations in an efficient and affordable way as well as delivering additional value in the areas that matter most to the people of the region. It is a new approach for us, and we thank you for taking the time to read and contribute to the development of the approach including the objectives, value criteria and metrics that we should use.

In May, following further work we will publish a final document summarising our approach to Best Value planning alongside an updated Method Statement on Best Value Planning which will provide more technical detail on the method and decision-making process for those stakeholders who are interested to understand the approach in more detail.

We will continue to engage with stakeholders through our stakeholder groups and the ongoing forums and meetings, and are keen to continue the dialogue with stakeholders as the work progresses and as part of the consultation on the draft Plan.

Thank you again for taking the time to read and contribute to the development of the best value planning approach to inform the development of a multi-sector, resilience plan for the South East.

# Appendix 1: Report on the webinars

## Introduction

On 12 and 16 February 2021, Water Resources South East (WRSE) staged two online workshops for stakeholders as part of its wider consultation on its proposals for creating a regional resilience plan that will deliver 'Best Value'. The events consisted of a series of short presentations from WRSE Subject Matter Experts (SMEs) either side of breakout discussion sessions to enable workshop attendees to explore key aspects of the Best Value Plan proposals in depth, ask questions and provide their feedback. The main workshop and breakout sessions were recorded, and the videos were subsequently made available via the WRSE online engagement platform.

The breakout sessions were led by WRSE SMEs, with further WRSE colleagues taking notes on the discussions, in addition to video recordings being made.

This report provides a summary of the discussions and feedback from the stakeholder workshops.

The presentation slides used are available here.

The workshop recordings can also be viewed online, as per the following links:

- 12 February 2021 webinar - Main session / Breakout room 1 discussion
- 12 February 2021 webinar - Breakout room 2 discussion
- 16 February 2021 - Main session / Breakout room 1 discussion
- 16 February 2021 - Breakout room 2 discussion - Part 1 & Part 2.

**Workshop attendees**

A total of 75 stakeholders attended the workshops, representing the following organisations:

- Albion Water
- Anglian Water
- Arun & Rother Rivers Trust
- Barlavington Estate
- Binsted Nursery / Tristram Plants
- Brighton & Hove City Council
- Burpham Neighbourhood Forum (Surrey)
- CPRE
- Consumer Council for Water
- Cotswold Canals Trust
- DS Smith
- Dacorum Borough Council
- Drayton Parish Council

- East Hendred Parish Council
- Environment Agency
- Federation of Small Businesses
- Friends of the Ems
- Gravesham Borough Council
- Group Against Reservoir Development (GARD)
- Hampshire County Council
- Haywards Heath Town Council
- Inland Waterways Association
- Joint Parishes Group
- Kent County Council
- Lavant Parish Council
- London Borough of Havering
- Maidstone Borough Council
- Medway Valley Countryside Partnership
- Mid- Sussex District Council
- Natural England
- New Forest District Council
- Oxfordshire County Council
- RWE
- Royal Horticultural Society
- SES Water
- Steventon Parish Council
- Stantec
- Surrey Wildlife Trust
- Thames River Trust
- Thames Water
- Thames Water Customer Challenge Group
- Three Rivers District Council
- Vale of White Horse District Council
- Ver Valley Society
- Vitacress Limited
- Water Level Limited
- Wheathampstead Parish Council
- Whitewater Valley Preservation Society.

### Workshop discussions and feedback

The following section provides an overview of the feedback from the workshop sessions, with all the views / suggestions / queries received reviewed and considered for WRSE's over-arching consultation response. The results of online polling carried out with attendees, to capture their views on particular issues are also presented.

For full details of the responses provided by the WRSE team to the questions and perspectives people provided, please see the video recordings of the workshops, which can be viewed online, as per the links below:

- 12 February 2021 webinar - Main session / Breakout room 1 discussion
- 12 February 2021 webinar - Breakout room 2 discussion
- 16 February 2021 - Main session / Breakout room 1 discussion
- 16 February 2021 - Breakout room 2 discussion - Part 1 & Part 2.

**Questions and comments from opening sessions of workshops**

- Why combine both environmental improvements and social benefits? They are so different
- First fundamental question is how much will be the costs of the legal requirements? Will there then be any room for best value options? Need now and before, not in parallel with developing the best value programme, otherwise best value could be redundant waste of time.
- I am more concerned that cost simply does not matter if there is no water available in the first place!
- Can you just explain how you define best value? For customers? For the region? For a water company? Where these are in conflict, what is the priority?

**Questions and comments from breakout sessions of workshops**

- Can you give us some examples of what a short-term shock would be, so we can understand the Adaptability criteria clearly?
- You mentioned treatment plants. Do these plans take the whole water cycle, not just water supply, into account?
- I couldn't see any reference in your document to adaptability / vulnerability to possible uncertain climate change or any climate scenarios you are using?
- The value criteria generally seem sound, but over the timeline to 2100 there's a lot of variables to take account of, such as housing growth, so how do you deal with factoring in a whole range of potential scenarios?
- Shouldn't water consumption be a constraint like leakage is? Shouldn't you be coming up with your own target for consumption, rather than waiting for a decision from Government?
- Question 4 of the consultation document asks, "Should these regional policies also be included as value criteria and, if so, should they be a constraint or used to optimise the alternative water resource programmes?" Can you explain the thinking behind excluding these at this stage and, if they're constraints, should they not be automatically included?
- Clarify customer preference. Looks to overlap with (all?) other criteria? How does that stack up?
- What about water recycling and re-use - and rainwater capture - where do these sit in the value criteria?
- Need to clarify the information to be provided on these criteria and metrics for the various scenarios being looked at. Can these be brigaded as best, optimistic, and pessimistic assumptions (e.g. regarding extent of actual per capita water consumption vs Government targets etc)?
- Clarify what specific (rather than overall) benefits you will assess in the SEA (Strategic Environmental Assessment) criteria?
- Abstraction reduction. You say you'll determine an appropriate level of abstraction reduction, which seems difficult to do. Can you clarify how you will do this, and will there be an opportunity for stakeholders to comment?
- Disappointed that there's not a specific value criterion on social benefits and also would like more consideration given to flood risk and water management as part of a broader water stewardship agenda

- Can you signpost how this all fits into net carbon zero ambitions?
- Where do Natural England's advisories on eutrophication come into this?
- Where does river water quality come into this?
- How will the Best Value planning process inform the assessment of the different options for the WRSE regional plan? E.g. Abingdon Reservoir
- To optimise the water consumption, you must have chosen a target Per Capita Consumption (PCC) or a range? Rather than wait for DEFRA to force a target, why not use a best practice figure as a starting point?
- Which criteria measures the "wholesome" part of the objective (on secure and wholesome supply of water)?
- We live in uncertain times. One study suggests over a million people have left the UK in the last year (mostly from London). How are you going to include this uncertainty?
- Need water to be defined as 'fit for purpose', as not all water needs to be potable, so wholesome definition not helpful. Greater appropriate use of non-potable water can help tackle challenges such as housing growth
- Why leakage reduction by 2050 is only 50 per cent, as if this were greater, less water would be needed from other areas?
- How frequently does the criterion require the industry to cope with a 1-in-500-year drought, given that droughts that would previously have occurred once in 500 years are likely to occur more frequently?
- Given customer knowledge on the plus and minus points of each option, how do you expect them to make a sensible choice? The earlier poll showed that several of those attending today don't feel they have enough knowledge and they are presumably interested and engaged. What process will you take customers through to improve understanding?
- What about the role of advances in technology? There doesn't seem to be anything in there about future tech and the move to net zero. What assumptions have you made about decarbonisation of energy?
- Do you consider smaller and short-term solutions? If so, can they be included as a criterion?
- Have you re-baselined your starting assumptions on growth, given that recent research shows the population of London and the South East has come down?
- It's difficult to see how you will measure environmental improvements. Need to use concrete and demonstrable measures
- Why have you got optimised and not constraint against some criteria / areas but not others?
- How will you measure / quantify social benefits?
- In terms of carbon offsetting, is that carbon in terms of just construction or operation or both?
- What about factoring in technological developments, such as round reducing carbon impact?
- What is the SEA (Strategic Environmental Assessment) doing in the BVP criteria list, it doesn't seem to fit in this list?
- Can you tell us about your carbon pricing?
- It's not clear from the list, how you're going to give different weighting to the criteria you will use?
- How are you going to ensure that any abstraction reductions don't have the unintended consequence of a wider negative impact on the environment?
- Is it appropriate to define your environmental destination in terms of abstraction reduction, when the flow needs of the environment may be better way of defining things, as these could be achieved in ways that won't have wider societal 'penalties'?

- How do you factor in 'political' decisions, such as 50 per cent reduction in leakage, that's been defined at a policy / political level?
- What about factoring in issues like greater use of grey water in new housing that could come about due to decisions being made at a policy / political level?
- From a local planning authority perspective, it would be helpful to have an evidence base to justify a local per person per day water use requirement.
- Where does water quality fit into the value criteria?
- What constitutes natural capital and how it is measured and how do you quantify biodiversity net gain?
- Why environmental net gain, rather than biodiversity net gain?
- Can you give examples of carbon off-setting?
- How will the long-term metrics fit in with the Government's 25-year Environment Plan and what it means for water?
- How will the five different regional plans compare if they have different environmental destinations / measures for environmental improvements?

**Questions and comments from closing sessions of workshops**

- How and where are you reflecting the comments made by the Environment Agency (EA) in their responses to the 'Challenges and Choices' consultation, such as around river flows and chalk streams?
- In terms of abstraction reduction, need to take account of EA's data on unsustainably abstracted water bodies and unsustainable groundwaters and EA's just released update on determination of water stressed areas. This shows high level of reductions needed especially in Affinity and Thames Water areas
- How is this process going to push back and ask for changes affecting external factors, such as housing growth?
- Need for a finer level of detail on the costs and benefits, in terms of who will pay and who will enjoy the benefit(s)?
- Customers being asked their opinion on weighting - how will you ask non-public water users their opinion? The two supplies are interlinked
- Costs. I have a big concern about transparency, with no transparency in WRMPs on costs. How are you going to address this in your regional plan?
- I also agree. I think this should be tried in the customer engagement
- Agree with request for transparency. Would converting costs into impacts on bills rather than NPV be a better summary measure that customers and stakeholders could relate to?
- I agree with point about effect on customer bills. This applies particularly to restoring sustainable abstraction - the costs should be expressed as impact on household bills
- I think the issue about cost transparency is ensuring that the constituent costs have been arrived at fairly (i.e. to build trust that the results are not being skewed by any agenda/company preferences). Transferring costs into effects on customer bills would not help with this
- Problems with the cost figures, in my experience with WRMP, has been understanding differential optimism bias / contingency / risk type figures. These should not need to be confidential
- I don't understand why the environmental destination and related regional policies are not embedded in the criteria already?

- I assume there is now a project looking at the impacts of the Agriculture Act and how this may shape things in future, such as farm reservoirs and benefitting rivers etc. Can you tell us how that's being built in?
- NFU is pleased to be actively engaged in this process
- Need to explicitly examine improving land and soil management to increase recharge and water resource management
- ELMS (Environmental Land Management) is providing options for water resource protection and enhancement including grants options for winter water storage
- Soil health in agriculture / horticulture is big at the moment. Soils are so variable, depending on where you are, that one solution will not fit all, and we need some R&D. Some funding and partnership R&D would be welcomed to look at how we ensure good productivity and good environmental outcomes
- How will the programme be developed to ensure that the most environmentally friendly (net zero) options are prioritised?
- How will the consultation fairly balance the views of current customers, who are worried about the cost of increased bills, against the needs of those future customers that will then need to address the impacts of the decisions we make now?
- How did you consider the views of future customers, when establishing inter-generational equity?
- How will account be taken of the interdependencies with other key infrastructure provision, with the objective of understanding whether there are any unintended consequences? The values and metrics as set out might not necessarily take account of this
- Where significant watercourse flow restoration / augmentation is being considered, to what degree is the potential increase in flood risk (and costs of mitigating measures) also taken into account where watercourse flow capacity has reduced (e.g. due minimised maintenance / increased siltation) and Climate Change forecasts indicate increased storm event rainfall intensity / totals?
- What engineering expertise do you have on board to develop your plan?
- I question your target of a 50 per cent reduction in leakage, as it appears to be a cost exercise not an engineering one, as you could reduce leakage by 95 per cent, such as via better training
- Concerns about meeting demand for water to serve new development in Guildford / Woking / Waverley area and where that's going to come from?
- How will you ensure that the SEA is incorporated into the Local Plan Reviews of the District Councils?
- Abstraction reductions. Has any thought been given to more schemes to get water into the aquifers (e.g. Aquifer Storage Recovery or ASR) that would have a range of environmental benefits?
- Is abstraction reduction linked to reductions in Per Capital Consumption (PCC) and leakage?
- I don't see a lot in the criteria on water quality. We're seeing increasing interest in clean water and reducing sewage releases. How are you integrating (waste)water treatment etc. into the resource planning?
- A couple of years ago at a Thames Water stakeholders meeting, a new initiative was announced on constructing an SEA that wouldn't deliver until after this process was complete. What has changed and who is now doing the SEA? Can we see it?
- I'm concerned about the phrase 'carbon offsetting'. Buying carbon offsets, for example, planting trees somewhere else, is not a long-term option as we go to zero carbon. Do you have a policy to use carbon offsets or reduce the initial carbon cost of new infrastructure?

- Given the wider pressures on the water industry to improve its foul sewage infrastructure, to what degree will both water supply and foul management costs be considered in this WRSE process?
- Also, to what degree will these combined financial resource issues be addressed by OFWAT through the five-yearly Price Review process, and what effect might there be on the financial viability of water companies?
- Can we see a breakdown of the costs of each option?
- Did the customer research to establish 'inter-generational equity' ask questions to the 'consumers of the future', or were 'today's consumers' answering on their behalf?
- Abstraction reduction and the EA's assessment on which ones may be implemented. Is this information in the public domain?
- How are you weighting the long-term issues, such as impact of climate change? and how that might affect greater use of water transfers across UK and how that might affect demand e.g. use of crops that require less water?

## Workshop poll results

Attendees were asked to complete a number of short online polls during the workshop sessions. This was to gather their views on how engaging the meetings were and on particular aspects of WRSE's Best Value planning proposals. Details of the results from the polls are set out below, but in summary:

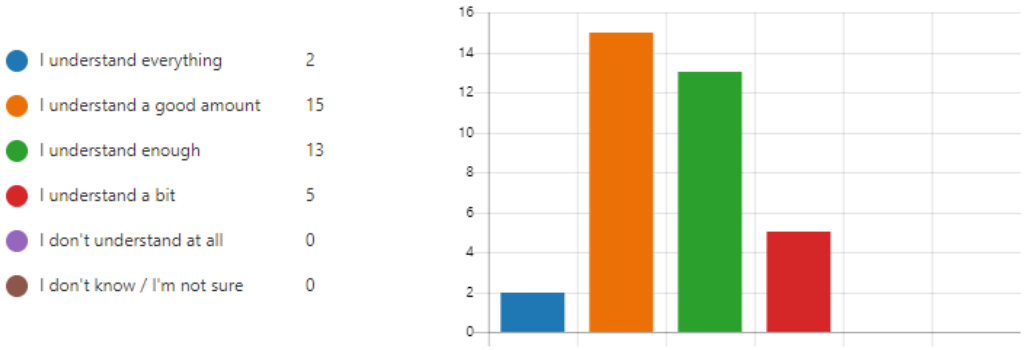
- Overall, attendees who responded said they had a good understanding of how WRSE will develop a regional plan that offers 'Best Value'
- The majority of attendees who responded found the workshops useful and informative, with areas for further consideration and improvement by the WRSE team
- Most attendees who responded (poll conducted on 16 February 2021 only) were interested in joining a further session to provide a broader overview of WRSE's work to develop a regional plan

**Opening poll**

**12 February 2021 (35 responses)**

1. To what extent do you understand the process we will follow to develop a 'Best Value' regional plan?

More Details

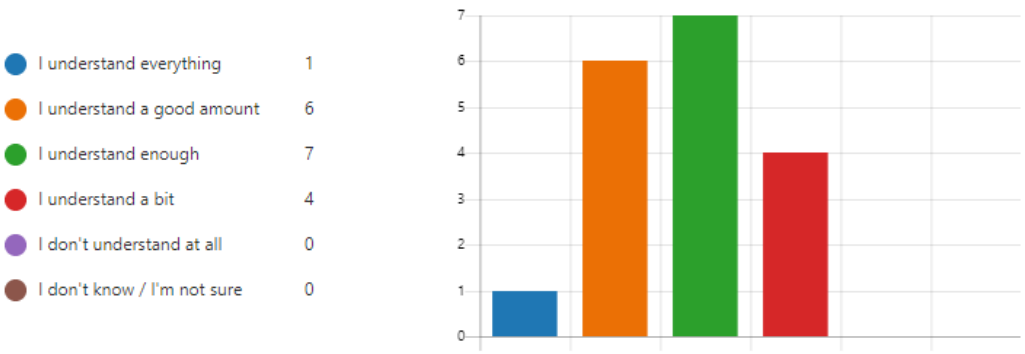



**Opening poll**

**16 February 2021 (18 responses)**

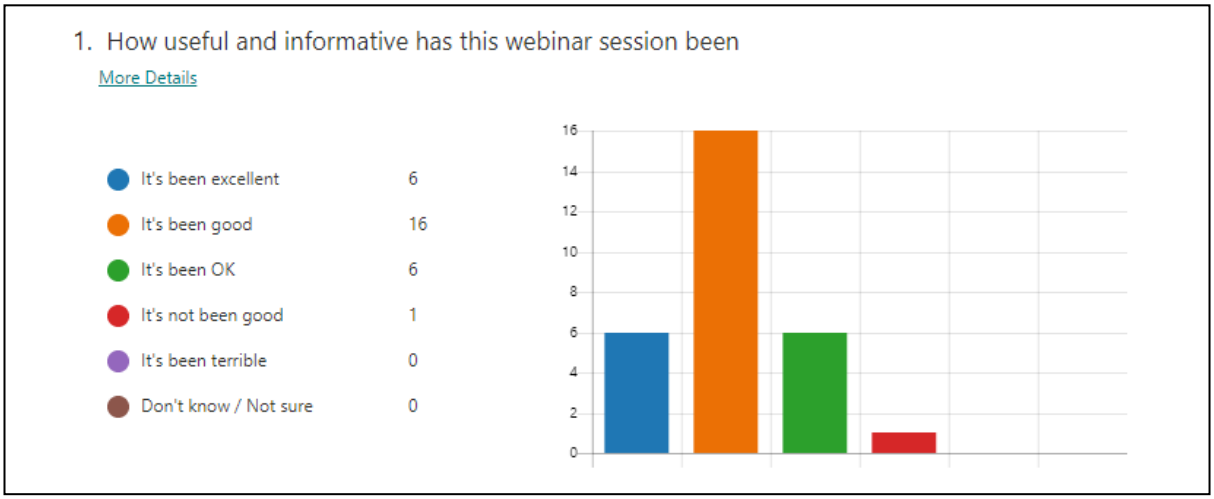
1. To what extent do you understand the process we will follow to develop a 'Best Value' regional plan?

More Details




**Closing poll**

**12 February 2021 (29 responses)**

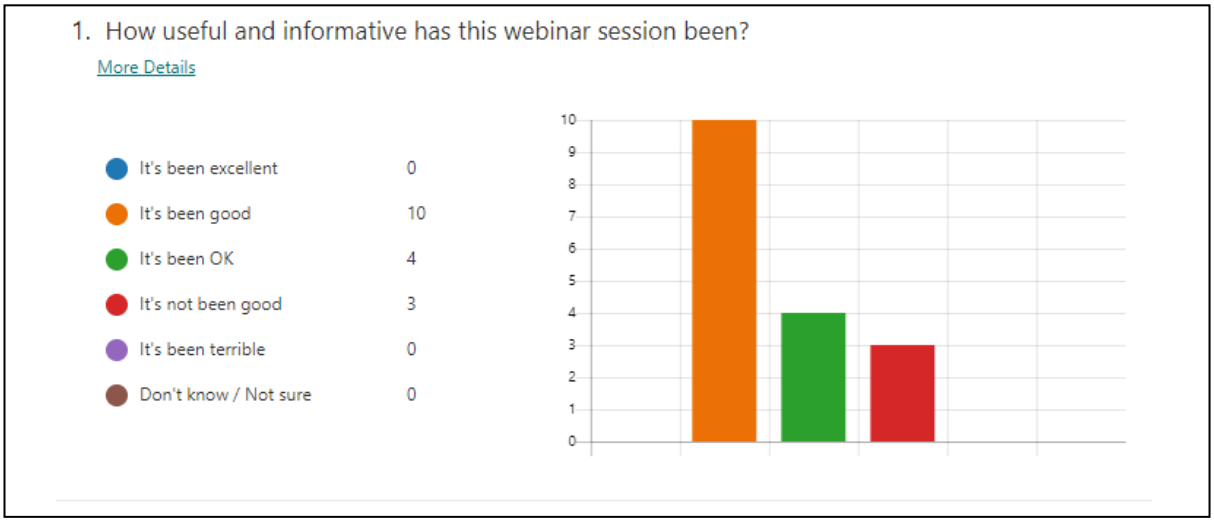



**Additional comments from respondees on Question 1 (above)**

- Helped to join up some of the dots
- Provided an accessible way to get my first connection with this process. Thanks
- Covered a lot of ground
- Good to have open conversation, wide range of stakeholder views that will be considered in the development of the plan
- Just needed more time in the breakout rooms. And who was the audience for this today? Otherwise very good
- It presented the WRSE process going forward and allowed time for questions.
- It is useful to be kept informed. Understanding timelines for consultations and technical comments
- The breakout sessions didn't allow enough time for constructive discussion, more of a Q&A. It may have worked better if the groups stayed in one session rather than attending both
- All very thorough and clear. Thanks!
- Team appear to be diligently trying to do the right thing. But, still worried about fundamental problems with approach and lack of clarity on detail.
- Made me think - the challenge is to integrate the plan with the other drivers
- Good to hear other stakeholders' concerns. Very well facilitated
- Would be really interested to hear more details, especially how it affects domestic gardeners, landscapers, and public spaces
- The presentation was good but I'm not from the water industry and I find this very difficult to understand.

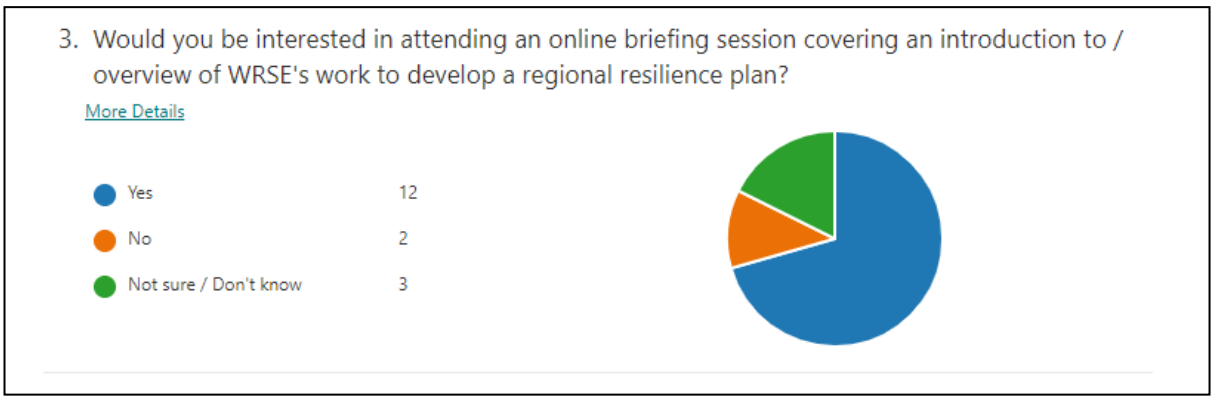
**Closing poll**

**16 February 2021 (17 responses)**




**Additional comments from respondees on Question 1 (above)**

- Good to have an overview of the programme.
- Hard to follow
- Additional knowledge on the development of the BVP
- It's useful to ask questions and review where we are. I find it difficult to assess the criteria until we see them used in practice.
- Very rushed. Unable to explore anything in any detail
- Answered two assumptions I had wrongly made
- Helpful and informative on process
- Speakers not always online Difficult to see the forms
- A great deal of the jargon has gone over my head. I suspect that a parish council's input is minimal and perhaps I hoped for more specific detail on future supply. I will look forward to further reports in the summer
- The projects I am working on cut across much of today's content. My time would have been better spent on advancing them and finding out where they are in the process, particularly as I had read the Best Value document before the webinar



**Please tell us about any particular topics or issues you would like the introductory / overview session to cover.**

- More on long-term resilience, biodiversity, use of aquifers, link with run-off from land use (e.g. nitrates from farming)
- Costs, SEA (Strategic Environmental Assessment) development, future energy / carbon cost, population
- Accommodation for growth in population and businesses across the region.
- How you aim to publicise the consultations with the public to get a good response
- more time for questions please
- SEA.