

News



Welcome

This is my last WRSE newsletter foreword, as I am stepping down as WRSE's independent Chair before the end of the year. I am staying on while the process of appointing my successor is completed.



Simon Cocks

I've chaired WRSE since Autumn 2016, taking on the role while I was CEO of Affinity Water, before becoming independent Chair after I retired in 2018.

It was clear at that point, following the publication of the National Infrastructure Commission's report 'Preparing for a drier future', that major reform of the water resource planning process was needed to secure greater resilience for the future.

The report highlighted the specific challenge facing the South East of England and the role that could be played by strengthened water resource planning at a regional level – with WRSE ready to rise to the challenge.

The establishment of the National Framework for Water Resources soon followed, to drive forward the shift to regional planning and set out the expectations for the five regional groups that now exist. I am very proud of the contribution the team at WRSE has made to

this process and the leadership they continue to show in this area.

Overall, it's been an incredible time to be involved with WRSE, as we have set out our vision to deliver a multi-sector regional resilience plan that will meet the needs for many years to come of 40 per cent of household customers in England, millions of businesses, other water users and the environment - with the right people, processes and governance in place to deliver this outcome.

We've done some great work to build the foundations for our plan, which could lead to £17 billion of investment in water resources over the next 75 years - providing more resilient water supplies to all, delivering an improved and protected environment and contributing to the UK's green recovery.

I've worked with some fantastic people, from both within and outside the water industry, and I would like to thank them all for their support and hard work.

I am also very proud of the high standards of governance and transparency we've achieved, together with the contribution we have made to the ongoing work of the National Infrastructure Commission and the National Framework for Water Resources.

One thing that has been really pleasing to see in my time as WRSE Chair is the genuine collaboration and strategic thinking between

water companies, regulators, government representatives and other key stakeholders.

This spirit of co-operation has been the single biggest enabler of progress so far, with the different parties involved genuinely listening to each other, maintaining open minds and working hard at collaborating.

This will continue to be critical, particularly as we come to make serious decisions around the level of environmental ambition to be delivered through the plan, to ensure we strike the right balance between environment, resilience and affordability.

In practice, for all organisations and stakeholders involved, this means clear strategy, policy and defined outcomes, a firm understanding of who is responsible for what, plus adequate levels of funding to deliver - if we are to effectively mitigate climate change and provide enhanced levels of resilience.

It is vital that a co-operative approach is maintained to successfully deliver the regional plan, with a need to remind ourselves of the importance of these elements in achieving our collective goals, especially as what we're doing is being done for the first time - it's new territory for everyone!

Farewell and best wishes.

Simon Cocks
Independent Chair, WRSE

What we've been up to:



TREVOR BISHOP,
WRSE Organisational Director

Presented at the Chalk Streams summit chaired by Rebecca Pow, Water Minister

Spoke at the Institute of Water national online conference, jointly with Water Resources East, on the benefits of regional planning

Working with member water companies and stakeholders to bring public / social value into the WRSE regional plan

Commissioned work on multi-sector resilience, part of the WRSE Resilience Framework.



MEYRICK GOUGH,
WRSE Technical Director

Continued engagement on the draft WRSE Method Statements, as our consultation came to an end on 31 October

Uploaded the first data sets into our data sharing platform, including updated water demand forecasts

Progressing modelling work, with the simulation models for member water companies having been signed off and testing of the new investment model in the final stages

Supporting consultation on our draft Strategic Environmental Assessment (SEA) scoping report for our regional plan.

You said, we're doing - WRSE consultation round up

We would like to thank everyone who took the time to give us their views during our latest consultations, which focused on key elements for developing our multi-sector regional resilience plan.

We heard feedback from a range of organisations, including regulators, local authorities, environmental groups and energy companies.

Below is an overview of the areas we asked for people's input on and what's happening next.



REGIONAL POLICIES

The policies are a set of planning assumptions, which will be used in our plan and will help shape its outputs. They cover a range of issues, including the use of drought permits and orders, leakage reduction, per capita consumption targets and carbon emissions.

In August 2020, we published our draft regional policies for consultation and received some really useful feedback on them.

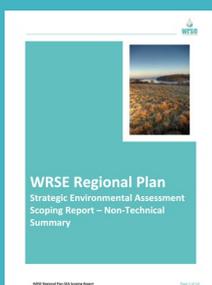
We've produced [a summary of what we heard and how we're responding](#), including revising and finalising our policy positions to inform the first phase of modelling for our plan which starts early next year.

METHOD STATEMENTS

Our [16 Method Statements](#) set out the processes and procedures we'll follow when preparing all the technical elements for our plan - in essence the ground rules for how we're tackling some complex and critical areas.

A three-month consultation on our method statements closed on 31 October 2020 and we're currently reviewing all the feedback we've had in.

We will use this to update our method statements, which will be finalised once the Environment Agency has published its updated Water Resource Planning Guidance, something which is expected early next year.



STRATEGIC ENVIRONMENTAL ASSESSMENT

To support the development of our plan, an environmental assessment process is being undertaken.

This includes carrying out a Strategic Environmental Assessment (SEA) - to inform the decision-making process through the identification and assessment of significant and cumulative effects the plan may have on the environment - ultimately helping us develop a sustainable plan.

We consulted on our [SEA scoping report](#) during September and October 2020, to gauge people's thoughts on what our SEA work will involve. Again, we are very grateful for all the responses we've had in and we're currently looking at all the feedback, ahead of updating our SEA scope. This will then be used over the winter to help us start assessing a range of options for our regional plan.

What's next

In early 2021, we're planning to ask for your views on the criteria we'll apply to make sure our regional plan delivers the best value.

A 'best value plan' is one that considers a range of different factors alongside economic cost, and seeks to increase the overall net benefit to customers, the environment and society.

Importantly, ahead of publishing our draft best value criteria, we'll be working with our Stakeholder Advisory Group and stakeholder sub-groups to shape them.

Of course, we'll continue to provide you with regular updates on our work and opportunities for you to have your say. Remember, you can sign up for automatic news alerts from us via www.wrse.org.uk/contact-us.

We want your catchments intel

Understanding our river catchments and identifying how we can improve them, so they are healthy, resilient and sustainable, is a key aim of our regional resilience plan.

For the first time, we've brought together representatives from catchment partnerships, environmental organisations, regulators and a range of water and land users, so that, as a whole, we can deliver a plan that will benefit our water environment.

To help support our work, we've launched a new website, so people can report a water resource issue, or opportunity, in their area.

It will help drive the 'intelligence gathering' process by providing online maps, describing different aspects of water resource management in the South East and offering the option of telling us about a local issue or possible solution.



The feedback we get will help us have more detailed discussions with a variety of groups and organisations and consider environmental schemes that could be included in our regional plan.

More than 120 people from 70 groups joined us at our series of virtual workshops in October 2020 to hear more about our new catchments website and how to get

involved. We will be collecting input through the catchments website until the end of November 2020, so please get involved.

For further details about our work to improve catchments and to access our new website and the recordings of the stakeholder workshops in October, please visit our [dedicated engagement platform](#).

SES Water - Looking long term on the environment

Despite being one of the smallest companies in the WRSE alliance, SES Water has big ambitions when it comes to the environment and is taking bold steps to put long-term sustainability at the core of its business.



SES Water's Tom Kelly

Earlier this year, the company formed an Environmental Scrutiny Panel (ESP), whose remit is to challenge, not just delivery of SES Water's business plan, but the way in which sustainable practices are embedded across the business, with improving the environment for decades to come becoming central to its purpose.

SES Water's Wholesale Director, Tom Kelly, said: *"We're taking a much longer-term stance on environmental sustainability, which will see us accelerate our activity and take a broader view of what we can do to add value and contribute to the UK's green recovery. The ESP is starting to put us in an uncomfortable position right now, but will ultimately enable us to move at pace in a direction that we are confident will deliver for the future."*

Tom points to current examples of how SES Water is investing, so it can operate more sustainably in the years ahead. This includes delivering the roll out of intelligent water networks to its entire operational area - providing a host of benefits including fewer mains bursts, supply interruptions and water quality incidents, reducing pollution and cutting leakage. Installing smart water meters for customers will also help the company better understand and reduce both customer-side leakage and average personal water use.

SES Water has also recently completed the development of a new state-of-the-art education centre at its Bough Beech reservoir near Edenbridge in Kent and will be increasing access to the site, so it becomes a hub for water and energy efficiency education, biodiversity and customer engagement.

Tom commented: *"The centre is not just about educating kids about water efficiency - it will support our ongoing conversations with customers about how we deliver their water supplies in the future, while achieving and bettering net zero carbon, preparing for climate change and abstracting water sustainably from the environment.*

"There are some big choices to be made about the environmental 'destination' we're travelling to and WRSE is showing great leadership in this area. However, we also need to think about what the right solutions are for the future and strike the best balance between big strategic schemes and the facilitation of more localised, low carbon options - such as rainwater harvesting, Sustainable Drainage Systems (SuDS) and grey-water re-use - that are potentially more sustainable for the future."

Tom concedes there is some way to go until these options will be ready to roll out at scale. He said: *"The policies and incentives are not there at present to drive innovation in this area, but as an industry we need to push for change."*

"We're working with developers in our area to see how we can incorporate these solutions into new developments, to reduce the size and cost of new infrastructure and provide customers with a more sustainable service. This will help us understand the art of the possible, so such solutions can play a more prominent role in securing resilient water supplies for the future."

Breaking new ground on customer engagement

We've been venturing into new territory with our customer engagement to inform and shape our regional resilience plan.

Firstly, we've been carrying out our research at regional and inter-regional level. This is to provide us with a richer and more rounded picture of customers' views across the South East and in neighbouring regions - in particular, on potential strategic resource options that would see water provided to the WRSE area from elsewhere. This approach is something that's not been done before.

In another first, our work is being overseen by the new WRSE regional Customer Challenge Group (CCG) we've set up, to provide independent scrutiny of our engagement.

These new approaches align with the recent call from the Consumer Council for

Water (CCW) for a ['shake up'](#) of customer involvement in developing future plans in the water industry.

CCW would like to see a number of improvements, such as more customer research being conducted centrally to allow for comparability and further consideration being given to the role CCGs play in future price setting.

In a recent interview with the Water Report, CCW CEO Emma Clancy said: *"When you're looking at the CCGs, you're looking by company rather than at regions. Does there need to be a regional layer? Not to duplicate but to take - a bit like the environment structure - that kind of bigger picture in terms of customer issues."*

In light of CCW's recommendations, WRSE wrote to Emma to highlight the regional and

inter-regional customer research programme we're delivering, to give us a broader understanding of customers' views to guide the development of our plan, as well as the key role being played by our regional CCG.

Following this, Emma attended a WRSE Senior Leadership Team (SLT) meeting, after which she commented: *"It's great to see WRSE taking a lead and pursuing research during these challenging times."*

"Looking back to the decisions made at the last price review, PR19, and subsequently by the CMA, it's sometimes difficult to identify the "golden thread" linking customers' views with the decisions made. At CCW, we want to hear the customer voice at every stage of the decision-making process of the coming price review, PR24, including in the final outcomes."



Engaging with customers during the pandemic

Another area of new ground for us has been moving our customer research group sessions online.

With the need to keep everyone safe during the coronavirus pandemic, we made the switch to holding these important discussions with customers via video calls, with participants giving us positive feedback on their experience. This new way of working also enabled us to reach a broader range of people, with more customers from so-called 'harder to reach' groups joining the meetings than before.

To support our efforts, including developing tailored approaches to engage with customers in such unprecedented times, we've been working with leading consultants from Eftec and ICS.

Furthermore, the WRSE Customer Challenge Group (CCG) has consistently provided us with good advice and guidance throughout, contributing to our ability to gain high-quality insight in the face of new challenges.

We now have a clear understanding of what works well online. This includes meeting over two sessions, with participants doing some pre-work before the first catch up and further

'homework' prior to the second round of discussions.

It's also really important to make things interactive, with online voting and different exercises to keep people engaged.

Plus, it's vital to provide people with support around using the required technology and software systems and to make sure everyone's clear on etiquette. This means everything runs smoothly and everyone gets to contribute.

WRSE's RAPID response

WRSE Chair Simon Cocks has expressed his support for the engagement approach being taken by the [Regulators' Alliance for Progressing Infrastructure Development \(RAPID\)](#).

It comes after Paul Hickey, RAPID Managing Director, wrote to regional water groups and water companies, detailing how RAPID and its partner organisations will work to support the regional planning process and the effective translation of regional plans into company Water Resource Management Plans (WRMPs) and business plans.

In his letter of response to Paul, Simon welcomed RAPID's approach, as it "builds on the already very participative role that

our regulatory colleagues are playing in the development of the WRSE regional plan at all levels."

Simon added: "The feedback we receive is extremely valuable and their ongoing involvement is helping to strengthen working relationships and ensure there is a shared understanding of objectives and activities, something which will be essential later down the line when the plans are presented.

"We would certainly encourage more of this over the coming months and years. In particular, we welcome the increased focus on the implementation of the plan - the links between the regional plans, WRMPs and the price review process, and addressing the barriers associated with shared resource schemes."

Simon also stressed that it is essential that the implications of the regional plan are understood by companies, regulators and government, so that they are able to deliver the resilience and environmental benefits that they promote.

We are now working with RAPID to arrange a meeting between the regulation directors at our member water companies and David Black, Ofwat's Chief Regulation Officer.

We have also offered to facilitate a second meeting of the five regional groups with the Ofwat Board, to provide board members with an update on our collective progress and gather their feedback.



Key milestone for RAPID process

RAPID, the Regulators' Alliance for Progressing Infrastructure Development, has been reviewing submissions for four potential strategic regional water resource solutions in the South East. These could potentially be included in our regional resilience plan and the next round of company Water Resource Management Plans (WRMPs).

The solutions received additional funding in Ofwat's most recent price review (PR19), to help accelerate their development in response to the challenge of ensuring water resource supplies are resilient while protecting the environment and benefiting wider society. This funding is subject to a gated process, to provide regular checks on progress in developing these solutions and to determine whether they should continue to receive additional funding.

The four proposed strategic solutions, which are detailed on the right, are intended to address Southern Water's forecast deficit in its Hampshire supply area, which is set to occur in 2027.

RAPID has been conducting an assessment of all four submissions, to inform its recommendations to Ofwat on the proposed solutions which should move forward to the second accelerated review gate stage in September 2021.

If all, or any, of the options are given the go ahead to pass through the first gate, they would feed into the wider group of inter-regional and regional options that will be

Proposed strategic regional solutions for the South East

A desalination plant at Fawley to the west of Southampton, which is included in Southern Water's 2019 Water Resources Management Plan (WRMP) and could provide up to 75 million litres of water per day

River Itchen water recycling, proposed by Southern Water, which is an alternative to the Fawley desalination option in its 2019 WRMP and could provide up to 61 million litres of water per day

West Country North Sources (jointly proposed by Bristol Water, Wessex Water and Southern Water), which consists of a reservoir in Bristol Water's area and transfer through Wessex Water's area to Southern Water, with a transfer capacity of up to 40 million litres of water per day

In addition, Southern Water submitted a new proposal for a **raw water transfer** from Portsmouth Water's proposed Havant Thicket Reservoir, to Southern's Otterbourne Water Supply Works. This solution could provide up to 61 million litres per day of additional water.

considered for WRSE's regional plan. In turn, the regional plan options will then inform the next round of company WRMPs.

Ofwat plans to publish its draft decision soon on whether the four strategic solutions above can proceed from gate 1.

This will be followed by a period of representation, with Ofwat's final decision then made public in early 2021.