

Welcome from Chris Murray MBE, new WRSE independent Chair



CHRIS MURRAY

Hello!

I am delighted to have joined the WRSE team and pleased to have this opportunity to be talking to you through my first newsletter foreword as WRSE's independent Chair.

This is a role that I consider to be of vital importance, given the significance of the job at hand and the level of collaboration and cooperation needed across a range of stakeholders to achieve our collective goals.

I am relishing the opportunity to work with you to deliver a multi-sector regional plan that will provide more resilient water supplies to all, deliver an improved and protected environment and contribute to the UK's green recovery.

The South East of England faces much greater challenges than most other parts of the country when it comes to water resources. Through our plan, which could lead to £17 billion of new investment over the next 75 years, we need to address these major issues, based on joined-up thinking to identify the right solutions for customers, the environment and society.

Indeed, the parallels between the energy sector, where I have worked for over four decades, and the world of water are striking. In both, resilience of supplies is absolutely key and the challenges to be overcome are significant. I believe that in order to meet those challenges, we will need continued innovation and cooperation, involving the water companies, regulators, Government and a wide spectrum of stakeholders.

I fully appreciate that I am joining WRSE at a critical point in the collective effort to boost the resilience of our water supplies. Furthermore, I am eager to lead the organisation into the next phase of the plan and beyond, working with others to find the best possible way forward for everyone.

I am very fortunate to be taking over from Simon Cocks, my predecessor as WRSE Chair, and would like to thank him for his hard work and clear leadership in developing our regional plan. Having worked closely with Simon in the past, I am acutely aware of the capability and skill he will have brought to the WRSE team and I look forward to building on the excellent foundations he has laid over the past few years.

In many ways, it was fitting that one of Simon's last duties as Chair was to speak at a special online event hosted by Portsmouth Water and Southern Water. This was held to mark a major milestone in the two companies' ongoing innovative collaboration to secure resilient water resources for the South East and protect internationally-renowned chalk streams. This solution, which was identified through WRSE's previous strategy, is a shining example of just what can be achieved with hard work and joined-up thinking.

As you can read more of later in this newsletter, Portsmouth Water and Southern Water have signed an 80-year Bulk Supply Agreement, under which Portsmouth Water

will supply 21 million litres of water a day to Southern Water, enabled by the [Havant Thicket Reservoir](#) in south Hampshire.

Having had an early opportunity to discuss this project with colleagues, it's clear how much of a trailblazer it's been, providing invaluable insight and learning into how we can approach the development and realisation of new regional infrastructure. This significant water supply asset has been designed in a completely new way, with the reservoir being developed in Portsmouth Water's supply area to ensure reliable supplies for Southern Water's customers in Hampshire.

The WRSE team is hugely proud that our regional strategy has enabled the reservoir project to progress. This is a real sign of a significant shift towards strengthened regional planning to increase resilience and deliver environmental improvements, by identifying the best value schemes.

The forward progress on Havant Thicket Reservoir adds to the momentum that's building, as we develop our new regional plan, ahead of the draft plan being published for consultation in early 2022.

Working together with Government, regulators and a range of stakeholders, major strides have been made over the past year, laying the foundations for our plan and updating and refining the information we are using to create it.

What we have achieved together puts us in a strong position to move ahead. I look forward to working with you all to further develop our plan and would like to thank everyone for your input and efforts to date, as well as for your continued contributions in the months ahead.

With best regards,

Chris Murray.

Chris Murray profile and Q&A

Chris is a highly experienced Chairman, CEO, Non-Executive and Executive Director, with a strong track record in people leadership and engaging with stakeholders at all levels.

His expertise comes from 40 years of experience in the UK energy sector, with Chris' professional knowledge spanning a wide range of areas including Change and Stakeholder Management, Regulation, Asset Management and Network Operations.

Chris has held three CEO positions during his career and can draw upon Non-Executive experience over the course of almost three decades during which he has held a number of previous chair roles.

In the 2016 New Year's Honours list, he was awarded an MBE for his services to skills and to charity.

Q&A with Chris

Q What attracted you to the role of WRSE independent Chair?

A The sheer significance of the challenge and the opportunity to work with a group of people who are already working effectively together - having recognised that the future we all need cannot be met by siloed plans.

In my career to date, I have been fortunate enough to play a part in delivering solutions to significant sectoral problems. I relish these challenges, as the sense of personal satisfaction when they are resolved is enormous.

However, this is a huge, multi-generational challenge, so my job is to help the WRSE team deliver as many parts of the solution as we can, before 'passing the baton' on to future generations to keep up the good work.

Q What are your immediate priorities in your new role?

A The first thing I want to do is to get to know the WRSE team and allow them to get to know me, so that we have the most effective working relationship possible. I know the team will help me understand who all the key stakeholders are and I'm keen to meet these contacts and listen to their views as soon as possible, as well as engaging more broadly with all interested parties.

As we all, hopefully, emerge from the Coronavirus pandemic, I'm really looking forward to getting out and about and meeting our stakeholders, as well as meeting and working collaboratively with the Chairs of the other regional water groups, to ensure we are truly as joined up as we possibly can be. I also want to get to grips with the detail of our regional plan and all the thinking that has gone into its creation and development so far.

Q How will your wealth of experience from the energy sector help in developing WRSE's new regional water resources plan?

A I believe that my experience in chairing several companies, groups and committees in the past will be very valuable. I have also been the CEO of two joint venture companies, where an understanding of the needs of all the various parties involved has been essential.

At WRSE, we have numerous member companies around the table, along with Government, regulators and a variety of stakeholders, and harnessing their skills and capabilities will be a key part of my role.

I'm used to working on plans that involve long-life assets, customer engagement and the need to balance affordability, sustainability and security of supply.

I expect all of those factors to be prevalent, as we seek to tackle the challenges of climate change, population growth and protecting our environment in the WRSE area.

Q What do you see as the biggest challenges and opportunities for WRSE?

A The opportunity is enormous - we can genuinely help to avoid future drought in our area and ensure customers can enjoy continued security of water supplies. This will require investment both in improved infrastructure and to reduce leakage.

However, in common with my experience in energy, I firmly believe that the most significant challenge is this - as consumers of utility services, we enjoy outstanding levels of reliability, as a result of which we tend to take those services for granted. This is particularly the case for water, where the costs, compared to other utilities, are relatively low, so there is less of a 'buying' decision when 'turning on the tap', particularly for household consumers.

Frankly, I think we should all be much more mindful of the precious resource of water that we are using, every time we do so. We need to understand the true value of water and the impact of not having access to reliable and high quality supplies on a daily basis.

I'm also conscious that the water companies are seeking to meet the needs of both their customers and their investors, whilst delivering against multiple legal and regulatory requirements. Hence, I am incredibly encouraged to see all parties around the table, as we seek to achieve aligned incentives and a secure future for water supplies.

Engaging with you

There are further opportunities for you to get involved in shaping our regional plan during the year ahead. These include the following listed below, ahead of our draft plan being published for consultation in the early part of 2022. Please click [here](#) to view a timetable for our engagement with customers and stakeholders to gather people's views and feedback.

Remember, you can also keep up to date with our engagement and consultation activity via wrse.uk.engagementhq.com/consultations.

MARCH

We published our [updated Future Water Resource Requirements document](#). This provides a summary of the planning challenge we face in the region and identifies where we expect the forecasts we provided in March 2020 to change, based on work we have completed so far. We also highlight how we have responded to feedback received from stakeholders through our previous consultation.

APRIL

We will publish our response to the feedback we received during our ['Best Value' plan consultation](#) and later publish the final list of 'Best Value' criteria and metrics - Please see our separate article for more.

MAY

We will be staging a series of stakeholder webinars to explore the various water resource options we are looking at for our regional plan.

JUNE / JULY

We will be hosting online workshops for stakeholders to discuss the alternative water resource programmes we are considering for our plan and our research with customers on this issue.

Creating a Best Value regional plan

We would like to thank everyone who gave us their views during our recent consultation on our proposals for creating a regional resilience plan that will deliver 'Best Value'.

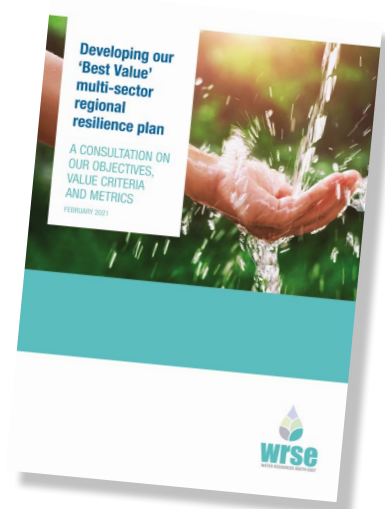
We had over 600 visitors to our consultation webpage and more than 75 stakeholders attended the two consultation webinars we hosted.

We received 23 detailed consultation responses from a range of organisations and individuals including the Environment Agency, the Consumer Council for Water (CCW) and South East Rivers Trust.

In April, we will publish our response to the feedback people provided. In the meantime, our consultation document and recordings of the consultation webinars can be found on our dedicated engagement platform at wrse.uk.engagementhq.com/consultations.

Our ambition is to deliver a multi-sector regional resilience plan that provides additional value in the areas that matter most to the people of the South East - going beyond a focus on keeping bills as low as possible.

So, we developed a suggested set of criteria and metrics to enable us to assess the extra value resulting from the different water resource options we identify in developing



our plan. We are using what people told us during the consultation to update and finalise the detail of our approach.

Positive progress on catchment options

We have now completed initial assessments on the 380+ catchment options put forward to us, via our 'Storymap' online tool, by a range of stakeholders. This was for potential inclusion in our multi-sector regional resilience plan. We have also updated everyone who submitted an idea to us to set out next steps.

Via a series of online workshops we held in October 2020 and subsequent engagement, more than 300 local catchment issues have been identified to help inform our plan, in addition to the possible catchment schemes that have been suggested to us.

The schemes have all been screened and put under one of four categories listed below.

We will be developing a portfolio for each surface water management catchment in our region.

These will set out the water resource deficit in each area, including the water environment issues which have been identified and the existing knowledge about each catchment.

The portfolios will also show the options that could be implemented (Categories 1-3). Once developed, the portfolios will be shared with the relevant water companies and catchment partnerships to help finalise them, ready for investment modelling.

We have also shared all the schemes, including those in Category 4, with water companies that are developing Drainage and Wastewater Management Plans (DWMPs), as there may be some projects which have benefits across both water and drainage / wastewater planning.

If they are schemes that are better progressed by a catchment partnership or similar group, they will remain on our 'Storymap' online tool and we hope that organisations will collaborate around these opportunities where they have the potential to provide wider benefit to the local area.

Category 1:

Schemes that should be developed further as potential options for our regional plan and which will now proceed to our Catchment Options Feasibility Screening Framework - 157 schemes have been placed in this category.

Category 2:

Schemes where further work is needed to understand the feasibility of the options, including if funding is required for investigations or pilots by the relevant water company in the next business plan / investment period (2025-30) - there are 42 schemes under this category.

Category 3:

Schemes that need further desktop work to better understand their feasibility and potential location, before any investigations or pilots can be carried out - 84 schemes are in this category.

Category 4:

Schemes that do not meet the scope of our catchment work, or do not have the potential to provide notable water resources and environmental benefits - the remaining 100 schemes have been placed in this category.

Latest on Strategic Environmental Assessment

To support the development of our regional resilience plan, an environmental assessment process is being undertaken. This includes a Strategic Environmental Assessment (SEA), as well as a range of other assessments, such as around biodiversity and natural capital.

SEA works to inform the decision-making process through the identification and assessment of the significant and cumulative effects a plan, or programme, may have on the

environment. The SEA process is conducted at a strategic level and enables consultation on the potential impacts of a plan with a wide range of stakeholders.

Last year, we asked for feedback on the proposed scope for the SEA and we will soon be publishing an update on how the views we heard have shaped our approach.

More broadly, we are close to completing the assessment of all of the supply-side water resource options against the SEA objectives.

This will then enable the SEA metrics to be set, for use in investment modelling for our

regional plan. We will also soon finish our assessment of the catchment options and demand management strategies.

Then in May and June, we will carry out the SEA of the alternative water resource programmes we are considering.

This will also enable us to produce an environmental report setting out the potential impact of the alternative programmes and contribute to our identification of the preferred programme that will form our draft regional plan.

WRSE backs water stress proposals

The Environment Agency (EA) has shared its updated classification of water stress, which shows that around two-thirds of people in England are now living in a 'water-stressed' area.

Sarah Chare, EA Director of Operations for the South and East, explained: *"Climate change, population growth and the need to improve our resilience to droughts are all putting pressure on water supplies in areas of England. If we don't take action now, in 25 years, water demand will exceed availability in many areas. We need to find solutions that balance the future water needs of communities, businesses and the environment.*

"Turning this around requires a society-wide effort. Water companies, Government, the Environment Agency, farmers and individuals all have roles to play. In that spirit, we asked for views from all individuals and organisations on our revised approach and potential solutions.

"Our consultation provided up-to-date evidence on water resources, so that water companies experiencing the most severe pressures adopt the highest level of water-saving measures, helping to manage supplies in the future and ensure our rivers, lakes and streams are protected."

At WRSE, we have given our backing to the proposals that were published for consultation by the EA - these would see seven additional parts of England officially designated as being under 'serious water stress', including the area served by our member company Portsmouth Water.

WRSE Organisational Director Trevor Bishop, commented: "We welcome the proposed changes to determining water stress, particularly as they would see Portsmouth Water move to the same water stress rating as all the other companies serving the South East. That said, we also think that moving to a regional classification of water stress would make sense, now that we are strengthening planning at a regional level.

"The updated classification shows that the majority of England is now classed as being in 'serious water stress'. This means it's now not just a problem facing a handful of water companies, but a national issue that requires Government action.



Low winter rainfall has impacted water levels at Bewl Water Reservoir in Kent in the past

"We believe this strengthens the case for mandatory water labelling to reduce demand. Furthermore, as well as enabling water companies to install water meters on a compulsory basis, we firmly consider that local authorities in water-stressed areas should be required to set higher water efficiency standards for new developments."

The additional water company areas that have been provisionally identified as seriously water-stressed under the EA's updated assessments are Portsmouth Water, Cambridge Water, Severn Trent Water, South Staffordshire Water, an area of South West Water, Wessex Water and the Isles of Scilly. The Environment Secretary will formally determine areas of water stress later this year.

The Environment Agency's new water stress maps will use data from water companies and

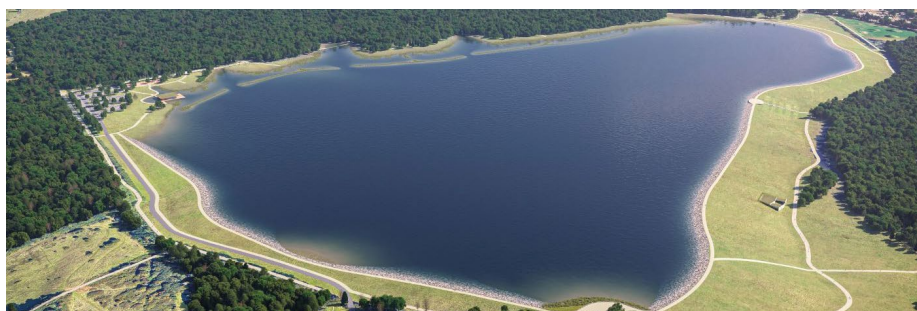
the National Framework for Water Resources, and consider:

- A long-term view of water availability to 2050
- Environmental needs, including chalk streams
- Impacts of climate change and population growth
- Ensuring water supplies are resilient to a 1-in-500-year drought
- Planned water efficiency and leakage improvements.

When it's determined that an area is in serious water stress, the water company for that area must publish a Water Resources Management Plan (WRMP) that considers all options to manage demand more effectively - including metering and greater leakage reduction.

Landmark water resources agreement signed

Portsmouth Water and Southern Water are celebrating a major milestone in their joint work to provide resilient future water resources for the South East, while safeguarding world-famous chalk streams in the region, the River Test and the River Itchen in Hampshire.



How Havant Thicket Reservoir could look, once completed

The two companies recently signed an 80-year Bulk Supply Agreement (BSA), which will see Portsmouth Water supply 21 million litres of water a day to Southern Water - an arrangement which will be made possible by [Havant Thicket Reservoir](#) being constructed to the east of Portsmouth.

This landmark achievement was marked by a virtual event held in February, with a range of VIPs from Government, regulators and the wider water sector attending, along with board members and staff from Portsmouth Water and Southern Water.

Bob Taylor, Portsmouth Water CEO, said: *“Together with Southern Water, we’re proud to be developing Havant Thicket Reservoir in our supply area, to provide reliable supplies*

for Southern’s customers in Hampshire. It will also allow Southern Water to reduce its abstraction from the River Test and River Itchen.

“This is the first time a significant water supply asset has been developed in this way and we hope it will establish a blueprint for others to follow.”

Southern Water CEO Ian McAulay added: “It has taken a lot of hard work and an appreciation of new ways of working by our two companies and regulators to reach this point and Bob and I would like to thank everyone involved for all their efforts.

“We look forward to continuing to work together to deliver a range of significant

benefits for customers, the environment and wider society.”

Under the BSA, Portsmouth Water will construct Havant Thicket Reservoir, so it is operational by 2029. Planning applications for the reservoir scheme were submitted late last year, with a decision on granting permission expected this spring.

Further investigations are also underway to explore if Havant Thicket Reservoir can play an even greater role in supporting resilience in the future, through new transfers and as a conduit for recycled or desalinated water - please see the article below for more.

Strategic water resource options through first Ofwat review

The four strategic regional water resource solutions that could provide additional water to Hampshire have cleared [the first checkpoint by regulator Ofwat](#). They will now go forward to the next stage in the assessment process, with updated submissions to be made in September to RAPID, the Regulators’ Alliance for Progressing Infrastructure Development.



secure resilient water supplies and deliver benefits to customers, the environment and society as a whole.”

Simon Moody, Deputy Director at the Environment Agency, said:

“Southern Water has a pressing need to fill the gap between its supply and demand for water in Hampshire to protect the environment and provide a secure supply of water for its customers.

“This is an important milestone in a process that will allow them to expedite the schemes and actions that are required to ensure a resilient water supply and the much needed protection to our precious chalk streams.”

The proposals include:

- A new desalination plant near Southampton, which would be the largest seawater desalination system in the UK (Southern Water)
- A water recycling scheme that’s being developed as an alternative to desalination (Southern Water)

- A project for a reservoir in Bristol Water’s area and transfer through Wessex Water’s area to Southern Water (Bristol Water, Wessex Water and Southern Water)

- A raw water transfer, via a 40km pipeline, from Portsmouth Water’s proposed Havant Thicket Reservoir to Southern Water’s Otterbourne Supply Works (Portsmouth Water and Southern Water).

David Black, Chief Regulation officer at Ofwat (Interim CEO from April 2021), said:

“The first checkpoint has highlighted some encouraging signs of collaboration and I am confident that the companies involved will continue to drive forward solutions that will

What we've been up to:

TREVOR BISHOP, WRSE Organisational Director



Joined the Greater London Authority's Water Advisory Board

Met with Defra and the Environment Agency to discuss how the approach to environmental resilience will help our regional plan support the Government's 25-Year Environment Plan

Presented at the national Regional Flood and Coastal Committees (RFCC) chairs' meeting to explore opportunities for sharing best practice between flood and water resource management

Presented at the CLA's South East conference to debate how a multi-sector approach is key to a sustainable water future.

MEYRICK GOUGH, WRSE Technical Director



Making good progress with detailed technical work for our regional plan - all forecasts completed and assurance checks being carried out

For example, finalising our supply forecasts and suite of options, including multi-sector forecasts. Different sectors have given us a clear picture of their future needs and submitted more than 30 options for our plan

Working with the Environment Agency and WRSE companies on the environmental destination for our plan, such as how abstractions will need to change to deliver benefits for nature

Co-operating with the other regional groups, setting out how we will align our plans at the end of the year.

Welcome to the WRSE family

Having taken up her role in December, Southern Water's new Head of Communications Kate Tonge has been busy getting involved in supporting our engagement and communications work.

Kate is new to the water sector, having worked as a journalist, before spending 16 years in communications with West Mercia Police and Cambridgeshire Constabulary.

During that time, she supported officers across a range of crime prevention campaigns, community engagement activity, major incidents and crime investigations.

She then moved to the newly-established College of Policing and has served as Director of Communications at the Royal Society of Chemistry and the Institute of Advanced Motorists.

At Southern Water, Kate leads on all internal, media and PR, stakeholder and policy communications and engagement activities, as well as campaigns, brand, web and social media.

She said: "I'm delighted to have joined the world of water, where there's a number of parallels with my time in policing. Not least, as we provide an absolutely essential service for society."



Southern Water's Kate Tonge

"I've been made very welcome and I look forward to working with colleagues across WRSE and its member companies as we continue to engage with customers and stakeholders on developing our new regional plan."