

Strategic Solution Interim Update Customer and Stakeholder Engagement

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from
**Southern
Water** 



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Please refer to Strategic Solution Interim Update Submission Summary Appendix 1 - Submission Navigation and Glossary for the glossary of terms, definitions and abbreviations for this document.

1 Purpose

This document provides a high-level overview of the customer and stakeholder engagement undertaken to date as part of the Water for Life – Hampshire (WfLH) programme and where feedback has been utilised in the decision-making process. It also gives an overview of plans for future engagement activities.

This plan should be read in conjunction with Interim Update: Activity Plan to Gate 2 and Interim Update: Regulator and other statutory bodies engagement plan.

2 Key engagement activities

A variety of engagement activities and forums have been used to inform regulators, customers, stakeholders and planning consultees about the WfLH programme, and where possible, seek preferences and views on the three strategic Solutions – desalination, water recycling and water transfers, including those in Table 1. Further detail will be provided at Gate 2.

Table 1 – A snapshot of examples of engagement with stakeholder, consultee and community groups

Customers	Stakeholders	Regulators	Planning Consultees
Non-statutory consultation			
Customer Action Group	WfLH Stakeholder Group meetings	1-1 briefings and discussions	Briefing and engagement with Local planning authorities
Ongoing Customer Insight	1-1 briefings and discussions	Senior Stakeholder Group meetings	Briefing and engagement with statutory bodies
Industry-wide engagement		Practitioner Workshops	Communications with communities for the Base Case

2.1 Ongoing engagement with regulators and other statutory bodies

Engagement with regulators and other statutory bodies, including, but not limited to, Regulators Alliance Progressing Infrastructure Development (RAPID), Ofwat, Environment Agency (EA), Natural England (NE), Drinking Water Inspectorate (DWI), Marine Maritime Organisation (MMO), has been undertaken on an ongoing basis via a range of forums and at various levels within the organisations. This has helped shape SW’s approach to scheme and design development for the options in the Options Appraisal Process (OAP), and also SW’s approach to the OAP for the selection of the Emerging Preferred Option (EPO).

SW initially shared the design of the OAP with the regulators so that feedback could be received and included, where possible. Engagement with these bodies on the draft results of the OAP followed and is still ongoing, this is detailed in the Regulator and other statutory bodies engagement plan.

Since Gate 1, engagement with key statutory bodies has focused principally on SW’s OAP to determine the EPO for delivery following Gate 2, including the technical reports needed to support that process.

Ongoing and regular engagement has taken place with the EA, NE and the MMO, in their dual roles as both key statutory environmental bodies and regulators. The EA and NE in particular have been engaged on the scope and outputs of the various environmental reports that have been produced to assess the performance of the options, as well as on the detail of the assessments.

Southern Water (SW) has also briefed Historic England and all of the local authorities likely to be affected by the various options on the methodology and results of the OAP.

Feedback from this engagement has informed the scope of environmental reports and judgements on the nature of the likely impacts of the options, as well as providing confidence in the OAP methodology.

There has also been general engagement and a briefing session during the non-statutory consultation with the Parish Councils in the communities likely to be impacted by the Base Case. This included discussing the proposals for the Base Case and the information on the desalination plant that was being consulted on at the time.

2.2 Briefing sessions and engagement with stakeholders

SW continues to work with its solution partner Portsmouth Water (PW) in relation to the options that interface with the proposed Havant Thicket Reservoir (HTR) which will continue as SW approaches Gate 2. This is described in the Interim Update Regulator and other statutory bodies plan and the Interim Update Activity to Gate 2.

There has been ongoing engagement with a range of stakeholders, including, politicians, environmental groups, and stakeholder groups established by SW made up of local organisations and bodies. The purpose of this is to inform relevant stakeholders about the WfLH Programme, including the challenges that SW is facing around future water supplies, and also its plans for addressing these challenges through the development of the different options.

Engagement with these groups, and others that may be identified in the future, will continue on an ongoing basis as SW progresses into the consenting process.

2.3 Customer research groups

With SW's wider customer insight work and research groups, it has engaged with more than 240 Informed Customers through deliberative approaches and more than 1,950 in quantitative surveys. This built on the insight from Gate 1 with more than 250 Informed Customers, 2,300 households and 350 businesses through joint work with Water Resources South East (WRSE) and more than 5,000 of interviews from WRMP19 and more than 42,000 undertaken in the PR19 process.

2.4 Consultation event

A Consultation Feedback Report, giving an overview of the responses received, is published on SW's website and the link sent to all respondents: www.southernwater.co.uk/our-story/water-for-life-hampshire/consultations

3 Insight and feedback

As the 75 MI/d desalination plant at Fawley is the Base Case, SW has carried out more detailed engagement and consultation on this option. As a result, there is more feedback and insights from customers and stakeholders about the Base Case, meaning there is a more developed understanding of the potential issues and impacts. SW will continue to engage with regulators, stakeholders, planning consultees and customers on the EPO as it is developed in the run up to, and after, Gate 2, and as it progresses through the consenting process.

The sections below provides an overview the results from the various engagement processes (detailed above) in relation to all solution types under consideration.

3.1 Desalination

Engagement with customers, communities and stakeholders on the Programme, especially in the non-statutory consultation, focused around those local to the Fawley location. This is important context when considering feedback from the non-statutory consultation as it means the information provided, and also the feedback received, focuses on issues and impacts most relevant to those consultees, meaning the views of the consultees who would be most impacted by the Base Case are more strongly represented.

Throughout all of the engagement undertaken, stakeholders, customers and consultees have noted their potential concerns and issues with desalination as a solution for SW at this location. Whilst the non-statutory consultation did not ask consultees to rank their preference for each of the Options presented, as it was not a general 'options' consultation where consultees were asked to choose an option, it did ask for consultees' views on the potential impacts of the Base Case and on the different infrastructure components.

The key issues raised in response to the question at the consultation on the potential impacts of the proposed Base Case related to the environment, carbon emissions and energy and the marine environment. The impacts of both construction and operation of traffic and transport was also a key concern raised by some respondents.

The main concerns related to the potential environmental impacts, and in particular, the potential impact of releasing the brine back into the Solent, which was raised by more than one-third (35%) of respondents, including both individual responses and statutory and non-statutory group responses.

SW's wider customer insight work has shown that customers have superficial knowledge of desalination, although initial thoughts are that it is robust and reliable. Through a deliberative research programme, SW provided a base load of information, available in the public domain, to increase their awareness and understanding as well as asking customers to carry out their own investigations through a range of sources (including global reports, media articles, discussions with friends and family, academic papers etc.). However, when customers investigate more, concerns regarding the potential environmental and financial impacts quickly surface. Once they are more informed, desalination is consistently the least preferred option across all customer groups and insight work.

From SW's insight work, those customers that accept the solution, in principle, tend to offer pragmatic agreement towards desalination rather than active support. If customers truly understand there is a need and are reassured that all other solutions have been explored – then SW can see support. However, a significant cohort of opposition will remain, for those more concerned on the potential environmental impacts or effect on bill affordability.



3.2 Water recycling

The non-statutory consultation did not consult on the water recycling alternatives in detail, so SW does not have informed consultation responses on the potential issues and impacts that are of concern to consultees on these options.

SW's wider customer insight work has shown that customers see water recycling as a natural way of maximising what SW already has and protecting resources, so it feels like a logical solution to them. Water recycling is seen by customers to address the problem of wastage, helping to tackle the problem rather than just creating more water and could also help change the way customers think about their consumption. It is also seen as a local solution by recycling SW's regional resources.

From SW's insight work, the greatest concern is around water quality both in the short and long term. This comes from the association with waste water terminology used. However, basic reassurances through engagement mitigate the majority of concern. Upon exploration, views can vary depending on the type of recycling (direct vs indirect) and the storage or pipeline solutions required. It is also a process customers are less familiar with, although there is a keen appetite to know more - especially for reassurances around water quality and the long term impact.

3.3 Water transfers

The non-statutory consultation did not consult on the water transfer alternatives in detail, so SW does not have informed consultation responses on the potential issues and impacts that are of concern to consultees on these options.

From the customer insight work SW has carried out; customers and stakeholders view the proposed enhanced use of the Havant Thicket Reservoir (HTR) as future-focused and sustainable with minimal environmental damage in the long term. Using the reservoir for storage was seen as a familiar and natural process that was perceived to be natural and less engineered than other options. Prior to engagement, customers have low awareness of bulk transfers being a common source in the UK. They accept and expect it as part of the overall solution for Hampshire. However, customers told us they are concerned that transfers could just move the supply issue around the country, and therefore if it were the only solution, it would not address the root cause of a water deficit issue.

4 Conclusions

Customers, stakeholders, regulators and planning consultees have been engaged on an ongoing basis since Gate 1. In particular, regulators and other statutory bodies have been engaged on the development of the different stages of the OAP, including the development of the site and route selection methodology, the Consenting Evaluation and the MCDA methodology, and also on the emerging results, as detailed in the Interim Update documents - Options Appraisal Process and the Regulator and other statutory bodies engagement plan.

The engagement undertaken indicates that desalination is not considered by customers and stakeholders to be the right solution (at the planned location and at the planned time) and that the alternatives may be more suitable, as they provide resilience whilst potentially being less environmentally impactful. However, further engagement with all groups on the proposals for these options is needed in order to better understand the potential issues and impacts that may be of concern.

4.1 Conclusions from the non-statutory consultation

A summary of the responses to the non-statutory consultation is set out in Figure 1. It is important to note when considering the responses to the consultation that a total of 67% of respondents stated that they lived within the local area of the programme, whilst 38% stated that they lived close to the proposed Base Case

option. As a result, we can expect that the issues and concerns that are more relevant to those respondents who are local to the Base Case are better represented in the responses.

In the non-statutory consultation, consultees generally responded to say that they did not feel that the Base Case was an acceptable solution to the potential future water resource challenges in Hampshire, with 51% stating that they strongly disagree with this. Of these, 58% were located in the immediate Fawley area and 74% were in the immediate Fawley area or the surrounding New Forest area.

Over 25% of respondents strongly agreed or agreed that the Base Case would be an acceptable solution. Of these respondents, only 10% were located in the immediate Fawley area and 64% of these respondents were located in the Portsmouth area and further afield.



Figure 1 - Consultee response to “to what extent do you agree that the proposed Base Case (75MI/d desalination plant at Fawley) would be an acceptable solution to the potential future water resource challenges in Hampshire?”

Consultees were also asked to what extent they felt the alternative desalination, water recycling and water transfer options would be an acceptable alternative solution should the Base Case not be delivered, to address the potential future water resource challenges in Hampshire, as illustrated in Figure 2, Figure 3 and Figure 4.

The proportion of respondents who agreed that the desalination alternatives (which are located in the same location as the Base Case) would be an acceptable alternative solution was similar to the proportion of respondents who disagreed. Almost 25% of respondents neither agreed nor disagreed, indicating a range of views exist with regards to the acceptability of a solution, although it was recognised by some respondents that a smaller desalination plant may be less impactful.

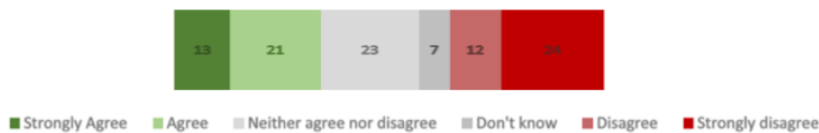


Figure 2 – Consultee Responses to “to what extent do you feel the desalination alternatives would be an acceptable alternative solution, should the Base Case not be delivered, to address potential future water resources challenges in Hampshire?”

A significant proportion of respondents agreed that water recycling alternatives would be an acceptable alternative solution, with only 12% indicating disagreement, and 28% in total responding, ‘don’t know’ or ‘neither agree nor disagree’. A total of 49% of the respondents who agreed that water recycling alternatives would be an acceptable alternative solution are located in Fawley and the surrounding area to the Base Case location.

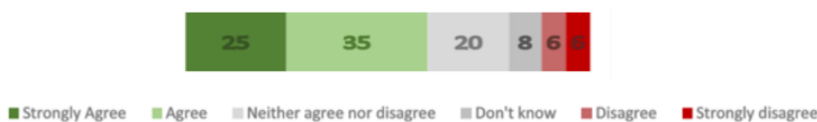


Figure 3 - Consultee Responses to “to what extent do you feel the Water Recycling alternatives would be an acceptable alternative solution should the Base Case not be delivered, to address potential future water resource challenges in Hampshire?”

A large proportion of respondents agreed that water transfer alternatives would be an acceptable alternative solution, with 45% responding either strongly agree or agree, and a similar proportion responding, ‘don’t know’ or ‘neither agree nor disagree’. Of those who agreed, 64% are located in Fawley and the surrounding area to the Base Case location.

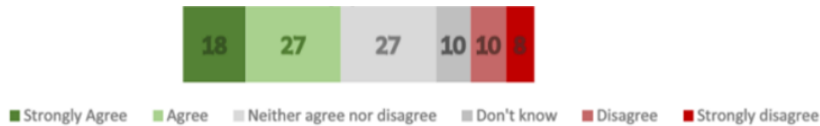


Figure 4 - Consultee Responses to “to what extent do you feel the Water Transfer alternatives would be an acceptable alternative solution should the Base Case not be delivered, to address potential future water resource challenges in Hampshire?”

4.2 Overall Conclusions

Regulators and other statutory bodies were engaged during the development of the OAP, and also on the emerging results of the OAP, as demonstrated in the Interim Update documents - Options Appraisal Process Annex and the Regulators and other statutory bodies engagement plan.

SW has reviewed the outputs of the non-statutory consultation and the key themes raised in the feedback, and it considers that it broadly aligns with the results of the OAP, mainly that desalination at that location has considerable environmental impacts, many of which are significant consenting risks.

More specifically, insights from the customer engagement work were used to inform parts of the Best Value (MCDA) Appraisal section of the OAP, including:

1. The views of members of the SW customer panel informed the weighting scenario applied to the Best Value (MCDA) Appraisal ranking and
2. The criteria for the Best Value (MCDA) Appraisal were originally informed by customer insight work, undertaken by SW and WRSE, so that the factors that were of most interest to customers could be considered when designing the assessment

Further information is detailed in the Options Appraisal Process Annex of this Interim Update.

Overall, SW’s engagement with customers via the customer insight groups shows that desalination is seen as less sustainable by having greater cost and environmental impacts. Customers told SW that transfers are seen as a support role for Hampshire as they perceived that alone, transfers lack the reliability of supply needed as they do not generate any new water resources, they just move existing water supplies between different areas. They also told SW that water transfers when combined with an environmental buffer (including the HTR), appeal to customers as they have articulated their view that it is perceived to be a natural and sustainable option.

Water recycling and water transfer alternatives were both viewed by consultees at the non-statutory consultation as generally being an acceptable alternative solution, should the Base Case not be delivered. However, this was based on the information available at the consultation, which had limited information on the back-up alternatives to inform consultees’ responses. Consultees were not asked to pick a preferred option out of the Base Case and the alternatives, so it is not possible to conclude which option is preferred by the consultees who responded.

All customer types represented in the customer engagement work articulated a preference to favour direct vs indirect water recycling because it appears to offer the greatest benefits in terms of efficiency and

sustainability. However, stakeholders recognise the benefit of using environmental buffers and the positive impact this could have in other areas, such as helping to reduce nitrates.

5 Future engagement

Customers and stakeholders are continuing to be engaged as the options are being developed. A briefing note was sent to stakeholder bodies on 9 September 2021, giving an overview of the feedback received at the non-statutory consultation and the next steps in the regulatory process. The briefing highlighted that the next submission is on 27 September 2021. Following the submission a further stakeholder update is intended to be sent out.

Joint engagement with PW is ongoing in relation to the options that interface with the proposed HTR, Option B.4 and Option D.2. Both companies will jointly present the developing plans to two meetings of the Havant Thicket Stakeholder Group on September 28 and 30, with further joint activities being developed. These stakeholder groups are the Community Advisory Group and Strategic Advisory Group, which include local community groups and other key stakeholders, such as regulators and Local Planning Authorities. The purpose of these groups is to ensure regular touch points with stakeholders local to the Havant Thicket Reservoir in order to ensure that their views are understood and being considered during the on-going design, construction and operation of HTR.

Engagement ahead of the RAPID Gate 2 submission will focus on preparation of technical information required for the submission and responding to specific issues raised by stakeholders, where possible.

Following Gate 2, plans are under way for further planning consultations on SW's updated proposals, and also further ongoing engagement with regulators, stakeholders, customers and planning consultees to inform the ongoing optioneering and scheme development work, and the preparation and submission of Gate 3 activities.