

## PR19 Customer Challenge Group

### Information Note

**Meeting number:** 5

**Date:** 10<sup>th</sup> January 2018

**Note No:** 1

**Title:** dWRMP Executive Summary

**Author:** Lee Dance

**Purpose:** Copy of the Executive Summary of our dWRMP is provided for information. The dWRMP has been submitted to Defra and we anticipate we will publish our plan on 31<sup>st</sup> January 2018.

# dWRMP19 EXECUTIVE SUMMARY

## Our collaborative preferred plan

We have a track-record of using innovation and the latest technology to drive down leakage. We are on track to reduce leakage by 11 per cent from 2010/11 to 2019/20 (from 95.3 MI/d to 84.8 MI/d). In this plan we will use this experience, and that of our partners and smart network innovations to reduce leakage further. Over the lifetime of this plan, from 2020 to 2080, we are proposing to reduce leakage by a further 14.0 MI/d or 15 per cent.

Engaging with customers we will save 20.7 MI/d by applying innovative behavioural economics techniques combined with water efficiency initiatives across our supply area by 2080. This will see average customer water use reduce from 147 to 137 litres per day by 2080.

Our preferred plan is consistent with regional and national studies and approaches. By collaborating with the Water Resources in the South East (WRSE) Group we have developed a plan that ensures we continue to share resources.

We have developed a preferred plan that is resilient to a one in 200 year drought event. This means that as a result of this plan we will reduce the risk of customer restrictions and environmental permits being required.

Our plan eliminates the risk of invasive non-native species being transferred between river catchments through raw water transfers.

Our preferred plan balances the needs of customers and the environment, including managing uncertainty around the impact of necessary abstraction reductions. This is to be achieved whilst we continue to work with those who also operate within our catchments, such as farmers and landowners, to increase the resilience of our water resources.

## Your water your say

Many stakeholders and individuals have contributed significant time towards the development of this draft plan.

We wish to extend particular thanks to the members of our Environment Focus Group, Customer Challenge Group and the WRSE group for their valued input and challenge.

We believe our approach in preparing this draft plan has enabled us to reflect the views of our regulators, key stakeholders and customers. We look forward to receiving your comments on our preferred plan.

This draft water resources management plan (dWRMP19) sets out how we plan to secure water supplies for today's and tomorrow's customers, from 2020 to 2080. It sets out our estimate of the amount of water we will need, and what we will need to do – where and by when - to meet those future water needs.

This plan balances the needs of our customers and the environment, and the cost of implementing it. It has been developed with our customers, communities, other water providers and stakeholders.

It takes account of the challenges and opportunities we face over the next 60 years:

- Operating in an area of serious water stress and high environmental sensitivity
- future population and housing growth
- optimising water sharing with neighbouring companies in the south east of England
- high reliance on groundwater resources
- uncertainty of climate change impacts
- abstraction reductions to ensure our existing water sources are sustainable
- resilience and adaptability to future uncertainty
- delivering a plan that is affordable to customers
- delivering a plan which is environmentally resilient and minimises environmental and social impact

The dWRMP19 has been developed according to the guidelines set out by our environmental and economic regulators. These guidelines require us to forecast the available supply of water, and likely demand for it, across our supply area for the period 2020 to 2045. However we have gone further so that our plan looks forward to 2080. We have done this because our business operates in a water-stressed area and we need to fully investigate, scrutinise and plan future water resource needs – not least because many future options have long lead times. A longer timeframe allows us to more robustly rule in or rule out solutions; and crucially, ensure we have enough time to find alternative solutions to meet any shortfall in water if that becomes necessary.

That long-term forecast shows there is insufficient water available to meet demand, and therefore there is a risk of us not meeting our planned levels of service for customers. So we set out in this document the range of demand management measures and new water supply options that could meet that shortfall in available water.

## **Our achievements since our last plan, published in 2014**

Our last plan was published in June 2014 and covers the 25 year period from 2015 to 2040. In that plan we committed to a range of activities during the 2015 to 2020 period to manage the supply and demand balance. We have made good progress towards completing these and we continue to maintain a secure water supply for our customers.

Key highlights of our progress include:

- Installing more than 286,000 water meters and providing water efficiency advice and the offer of free water saving devices to all of those customers
- developing a “My Water Use Report” through partnership with Advizzo, an innovative behavioural economics company, which has seen a reduction in consumption of between one and two per cent during a pilot of 22,000 customers
- despite 47,000 new homes being constructed between 2011/12 and 2016/17 total household demand for water has declined by 21 MI/d
- people are using less water, down from 172 litres per head per day (l/h/d) in 2011/12 to 151 l/h/d in 2016/17
- 90 per cent of reported leaks are now fixed within 48 hours and we have invested an additional £7 million in the very latest technology to help us find more of these smaller leaks (often no greater than a dripping tap)
- we committed to reduce leakage to 90.9 MI/d by 2016/17 but we have gone further and outperformed this as our reported leakage figure for 2016/17 was 88.6 MI/d
- between 2015 and 2020 we will have completed five new resource schemes, including improvements to existing treatment works, building new works and installing a water transfer pipeline from SES Water in Sussex
- good progress, as expected, against four long-lead schemes including two reservoirs and two water re-use schemes where we have been carrying out investigations and further studies
- being on course to deliver our Water Industry National Environment Programme by the agreed dates, including catchment management investigations and biodiversity reports

## **Developing our plan with others**

The success of our progress against WRMP14 is, we believe, underpinned by our continued engagement with customers and stakeholders both as we prepared that plan and as we worked to implement it.

With this in mind, we built on the success of our WRMP14 by continuing to work with our Environment Focus Group, a group of key stakeholders that has advised and challenged us throughout the preparation of dWRMP19. This group includes representatives from our regulators, local and national interest groups and local planning authorities.

In preparing the dWRMP19 we have collaborated with a wide range of customers, stakeholders and regulators. A particular objective of our engagement has been to involve key stakeholders in each step of the dWRMP19 preparation process, from the very beginning, and to take on board their views and opinions wherever possible.

We are also committed partners in the Water Resources in the South East (WRSE) Group that works for the collective good of customers and the environment in the wider south east region; and are nationally represented in the Water UK water resources long-term planning framework. Cooperating in these groups, as a valued member alongside the other water companies in the region, has helped us identify the optimum solutions that could meet future water needs, provide greater resilience to companies and customers, while taking an appropriate and balanced view on risk.

This document outlines our preferred plan and the options which we believe represent the best balance of cost, environmental resilience and deliverability.

Making the right choices for our current and future customers and for the wider environment - and how we have developed a balanced plan – has taken into account:

- The knowledge and challenge of our Environment Focus Group (EFG) and Customer Challenge Group (CCG)
- the environmental impact of individual options, and the cumulative impact of the plan as a whole and in combination with other published plans, through a comprehensive Strategic Environmental Assessment
- customers' preferences on resilience, approaches to meeting the shortfall in water, and ranking of demand and supply side options via willingness to pay research and multiple topic specific focus groups
- outcomes from the Water UK water resources long-term planning framework and the WRSE Group
- a risk assessment of options, and the plan as a whole, including risks associated with water availability and sustainability; environment and delivery; third parties; resilience; interdependence; and our mix of resources

## **Ensuring our plan is resilient**

In previous plans, we developed our system to be able to continue to supply water through the worst drought that had been previously experienced. We recognise that the future will not necessarily be the same as the past, and so planning for historic events is not always the best, or only way to prepare for the future – we need to be more resilient to more severe droughts.

Since WRMP14 there have been several significant changes that affect the way we plan future water resources. We have worked closely with our regulators during the development of new guidelines and methodologies that offer a more flexible, risk-based approach to planning and which forge better links with our drought plan. This step change is important because it allows water companies to develop plans that better reflect the circumstances and challenges of their own supply areas.

The new methods allow us to better understand the resilience of our water resources under a wider range of scenarios such as more severe, but plausible droughts, than we have experienced; different population or property growth scenarios; and varying climate change impacts.

To embrace these new methods, we have chosen to adopt a longer planning horizon of 60 years. We have also developed more sophisticated demand forecasting tools. For example, we have worked with the Met Office to develop and apply an advanced weather model that allows us a more scientific and evidence-based forecasting of changes in water use under different future weather scenarios.

Our plan sets out what we would need to do (and over what period of time) to improve our current levels of resilience from a drought severity of one in 100 years, to achieve a new reference level of resilience equivalent to a one in 200 year drought severity (as proposed by Defra). This change to the level of resilience is intended to ensure that collectively the industry is better prepared for a future drought event that might be worse than any we have previously experienced; for example if the 2010-2012 drought event had continued to include a third consecutive dry winter. This in turn will ensure we can reliably operate to our planned level of service across all of our water resources zones.

During the preparation of this dWRMP19 we have consulted with customers on the levels of service they wish us to plan for. This work confirmed that customers support the retention of our existing levels of service. Therefore the dWRMP19 continues to be based upon:

- Temporary water use restrictions: no more than once in 10 years (10 per cent annual probability of occurrence)

- non-essential water use restrictions: no more than once in 40 years (2.5 per cent annual probability)

## **How much water is available?**

A baseline forecast of what water is available for use is an important part of our planning process. The forecast considers how this may change over the next 60 years. We have carried out a thorough review of our current resources to determine a robust assessment of how much water they can actually produce, and factored in adjustments for the impacts of climate change, outages, process losses, and abstraction reductions required to protect the environment (referred to as sustainability reductions).

To ensure we operate within a resilient environment we have ensured that both sustainable abstraction and the objectives of the River Basin Management Plans are integrated throughout the WRMP process. We have ensured that our plan considers both existing and future water sources to support the achievement of environmental objectives and measures set out in the River Basin Management Plans; and where required we have put forward solutions to remove existing environmental issues caused by abstractions and also to prevent future environmental deterioration.

As a result of our review of the supply forecast and the adjustments to ensure our water supply is sourced sustainably, the amount of water available for use reduces over the planning period.

Our work for dWRMP19 has improved our understanding of our ability to supply, under a range of different drought conditions. We have also taken account of the resilience of our resources and the reliability of supplies, including any we rely on from other water companies within the region, and how the effects of drought and climate change may alter our supplies over the time period of the dWRMP19.

One of the key objectives of our dWRMP19 is to evaluate and reduce demand for water. We will continue to promote conventional water efficiency measures but a step change in approach is needed to drive further significant demand reductions in the future. We believe behavioural economics will play a key role in achieving this significant reduction in water use. This is just one of the ways we are using innovation to reduce demand for water. Other areas of innovation are outlined later in this document.

Initiated in 2011, we have continued to successfully roll out our customer metering programme that has now compulsorily installed over 286,000 household meters, and by 2020 we expect to have metered around 90 per cent of our customer base. This has resulted in a significant reduction in customer demand over the last ten years but also helps improve the accuracy of our demand forecast.

Our analysis shows this programme has been even more successful than our original forecasts, with the average household reducing their water consumption by 18 per cent (compared to our estimate of 15 per cent) as a result of increased levels of water efficiency take-up and behaviour amongst metered customers.

Fundamental to achieving long term reductions in water use is understanding our customers. We have built on the success of our metering programme and joined forces with behavioural science experts Advizzo to develop new, award winning, innovative approaches that empower customers to better control the water they use and therefore the bill they pay.

Since November 2016 we have trialled this approach with 22,000 customers and early indications suggest reduction in consumption of one to two per cent could be achievable.

In addition to this, we have continued to drive down leakage from our pipes below the target we set out in our WRMP14. Our leakage performance is one of the best in England and Wales and we are in the upper performance quartile (meaning that our leakage performance is better than that of 75 per cent of water companies). Furthermore our Infrastructure Leakage Index of 1.27 reinforces our performance and places it as being amongst the best in the world.

Building on our strong performance in this area, we continue to look for opportunities to better understand customer consumption and leakage.

Our continued improvements in leakage and the success of our water efficiency initiatives have led to a significant and welcome reduction in water use. However, increases in population will have an impact on the overall demand forecast. The population in our supply area is forecast to increase by 53 per cent from a starting position of 2.19 million in 2016/17, to 3.34 million people in 2079/80.

There are uncertainties in forecasting the supply and demand for water in the future, especially when making predictions 60 years ahead. To take into account this uncertainty in forecasting both supply and demand, a planning allowance, or 'target headroom', is added to the demand forecast.

Our calculations of supply and demand, and factoring in inherent uncertainties when looking 60 years ahead, show that, without action, we would have insufficient available water to maintain expected levels of service to customers.

**Figure 1: Baseline forecasts for supply and demand and our supply demand balance**

|  | Dry year annual average (MI/d) |         |         |         | Summer peak period (MI/d) |         |         |         |
|--|--------------------------------|---------|---------|---------|---------------------------|---------|---------|---------|
|  | 2019/20                        | 2024/25 | 2044/45 | 2079/80 | 2019/20                   | 2024/25 | 2044/45 | 2079/80 |
| <b>Supply forecast</b>                       | 635.6                          | 605.7   | 564.3   | 561.2   | 763.3                     | 733.4   | 691.2   | 687.4   |
| <b>Demand forecast</b>                       | 524.2                          | 534.0   | 572.6   | 672.4   | 644.5                     | 658.6   | 714.7   | 859.8   |
| <b>Target headroom</b>                       | 34.2                           | 44.2    | 71.2    | 75.7    | 36.9                      | 47.3    | 82.3    | 89.1    |
| <b>Demand + target headroom</b>              | 558.4                          | 578.1   | 643.8   | 748.1   | 681.4                     | 705.9   | 796.9   | 949.0   |
| <b>Supply demand balance</b>                 | 77.2                           | 27.6    | -79.5   | -187.0  | 81.9                      | 27.5    | -105.7  | -261.5  |
| <b>WRMP14 baseline supply demand balance</b> | 30.3                           | 13.0    | -       | -       | -8.2                      | -37.3   | -       | -       |

## Developing our plan to meet future water needs

To meet that shortfall in water we have carried out a rigorous and transparent appraisal of all the options available. We have developed and integrated dWRMP19 with the Strategic Environmental Assessment (SEA) process to provide the best overall outcomes.

The range of options considered included ways of reducing and managing demand, alongside options that could increase supplies, and options to make our existing processes and systems more productive. These included options we received from third party organisations to our invitation for suggestions, plus the market-focused OJEU process, as well as new options from neighbouring water companies, our own employees and a renewed look at the options set we considered for WRMP14.

Our approach to options appraisal has been collaborative. Our Environment Focus Group has been fully engaged in our options appraisal process. The group's involvement started with an extensive list of 510 unconstrained options and, through a succession of screening processes, resulted in a final list of 172 feasible options.

From that, we have selected what we believe to be the best value and most cost-effective set of options to meet the supply demand deficit.

We believe this dWRMP19 will:

- Provide us with improved resilience and security of supply, in the face of medium risk and uncertainty
- ensure that we can continue to operate in an environmentally and socially sustainable manner
- be affordable and that we will be able to achieve the outcomes at an acceptable pace

To facilitate our decision making process, we first developed a conventional best value plan and refined this by considering a wider range of plausible futures. We then used a new method recommended within the guidelines to stress test a range of potential plans. This determined which options would prove most adaptable if the future turns out differently to our predictions. We then compared our plan to the regional plan generated by the WRSE group's modelling work.

We also tested the outputs of this work with our customers and stakeholders by carrying out customer research and surveys to find out our customers' priorities for their water supply.

We tested with them the range of options being considered to meet the predicted shortfall in water. Our customers have told us their order of preference for particular options, and also their willingness to pay for those options. The most preferred options by our customers, in willingness to pay surveys, showed support for demand reductions before implementing new resource options. In particular, they wanted us to continue to reduce leakage (the most preferred option) followed by water efficiency.

Our customers also wanted us to focus on options that prioritise positive environmental impact and extend our current activities. When considering new resources customers supported underground storage, improvements to water treatment works and new surface water reservoirs.

Assessing the risk of our preferred plan has been a key factor in determining the optimum approach we should take, and so our dWRMP19 sets out clearly how we have assessed the risk of each option and the overall risk of the plan as a whole to customers, the environment and stakeholders.

We believe that has led to a plan that truly reflects a twin track approach – one that will both manage demand for water, while also delivering the new water resources that will still be needed to meet the predicted shortfall in water.

## Our preferred plan

The challenge we have set ourselves, and our customers, is to reduce household consumption by around 7.5 per cent on average as shown in Figure 2.

**Figure 2: Preferred plan household per capita consumption**

| Litres per head per day (l/h/day) | 2019/20 | 2024/25 | 2044/45 | 2079/80 |
|-----------------------------------|---------|---------|---------|---------|
| Dry year annual average           | 147.4   | 144.3   | 138.4   | 137.6   |

### For the 2020-2025 period

Our preferred plan includes initiatives to manage demand such as extending our award-winning customer engagement approach developed using behavioural science. Through rolling this approach out across the whole company we expect to achieve much lower customer demand for water than we see today.

**Figure 3: Preferred plan water efficiency savings**

| Water efficiency saving  | 2019/20 | 2024/25 | 2044/45 | 2079/80 |
|--------------------------|---------|---------|---------|---------|
| MI/d saving (Cumulative) | 0.0     | 2.2     | 5.7     | 20.7    |

We are one of the leading companies in the UK for leakage management, however we recognise that we need to reduce leakage further. We have a track-record in investing in the latest leakage technology, and we have used innovation to outperform our leakage targets. In this dWRMP19 we have identified a range of options, including the savings possible from using latest leak detection technology, to reduce leakage further.

Our analysis however shows that some of these solutions are more expensive than other schemes, and so we need to ensure our preferred plan continues to take into account customers' preferences and the SEA impact of such activity. If we were to include leakage reductions in dWRMP19 that are highly stretching and innovative but have the potential to fail we risk not being able to meet the levels of service customers expect and pay for and in effect increase the likelihood of customers experiencing supply restriction, so we need to balance the risks associated with adopting new methods and technology that may or may not work, with the need to reduce leakage even further. We have therefore included a stretching but realistic leakage reduction in this dWRMP19, but this will be underpinned by our innovative approach to addressing leakage in our 2020-2025 business plan which we will submit in September 2018. We believe strongly that the industry and South East

Water should meet the challenge offered by customers and society to reduce leakage further so we intend to use the leakage reduction targets in our preferred plan as a base position for 2020-2025 and then challenge ourselves to outperform these, setting out the incentives we could achieve if we meet these challenging targets and the penalties we will incur if we fail to meet them.

**Figure 4: Preferred plan leakage reductions**

| Leakage reductions                   | 2019/20 | 2024/25 | 2044/45 | 2079/80 |
|--------------------------------------|---------|---------|---------|---------|
| <b>MI/d Reduction cumulative</b>     | 0.0     | 3.8     | 7.0     | 14.0    |
| <b>MI/d Total leakage cumulative</b> | 88.6    | 84.8    | 81.6    | 74.6    |

This mix of demand management initiatives (leakage and water efficiency) provides an additional 6 MI/d for the period 2020 to 2025 within our preferred plan, and is above the assumptions around savings already made in our baseline activities.

On their own, however, these types of initiatives would be insufficient to ensure supplies can meet our predictions for demand. Therefore our preferred plan for the period 2020 to 2025 also includes a new water supply option in our WRZ 6 (Maidstone), to construct a new water treatment works at the former Aylesford Newsprint site via a new licence trade arrangement. This will provide an additional 18.2 MI/d. This option has come from our successful engagement and licence trading with third parties.

#### **For the 2025-2045 period**

During the period 2025 to 2045 period we will continue our demand management initiatives to achieve further leakage and water efficiency savings. However, by this stage we will need the following additional water supply options to meet an increase in the shortfall of water (volumes quoted are for summer peak week period):

- Developing a licence trade groundwater source at Halling, Kent (1.3 MI/d)
- developing a regional water transfer scheme from SES Water (9 MI/d)
- developing and improving two existing water treatment works at Bewl WTW Kent (8 MI/d), and Ford WTW in East Kent (1 MI/d)
- developing two water re-use schemes at Aylesford in Kent (9MI/d), and Peacehaven, East Sussex (25 MI/d)
- catchment management activities in the Pembury area, Kent (0.3 MI/d), and at Woodgarston (3.0 MI.d)
- building a new reservoir at Broad Oak, Kent (19.6 MI/d)

- building a new reservoir adjacent to our existing Arlington reservoir, East Sussex, (16.1 MI/d)
- four new company transfers between our water resource zones, and also five improvement schemes to our pipe network to improve the connectivity within our supply area

### **For the 2045 – 2080 period**

In our approach to developing our preferred plan for dWRMP19 we have looked at the options we will need to deliver to avoid a deficit in our supply- demand balance over a 60 year period. A summary of the water supply options we have included for the 2045 to 2080 period are:

- Desalination at Eastbourne, Reculver and the River Medway
- water re-use at Weatherlees
- a new reservoir at Goose Green
- new raw water abstraction and treatment works from the River Thames
- regional water transfers from Portsmouth and Thames Water
- aquifer storage and recovery near Maidenhead
- new groundwater source at Farnborough
- combined use of the surface and groundwater near the River Ouse
- new company transfers between our water resource zones, and also improvements to our pipe network to improve the connectivity within our supply area

### **Addressing resilience in our preferred plan**

In this plan we propose further measures to enhance the level of resilience to ensure our supplies are capable of meeting Defra's proposed 1 in 200 year reference level of resilience. Our assessments show we can achieve this at relatively modest cost through some improvements to our existing network connectivity and bringing forward a number of our long-term water resources schemes.

**Figure 5: Preferred plan by option type**

| Option type               | (Ml/d) Summer peak / one in 200 drought |             |              |              |
|---------------------------|---|-------------|--------------|--------------|
|                           | 2020-25                                 | 2025-30     | by 2044      | by 2079      |
| <b>Leakage</b>            | 3.8                                     | 6.3         | 7.0          | 14.0         |
| <b>Water efficiency</b>   | 2.2                                     | 1.9         | 5.7          | 20.7         |
| <b>Groundwater</b>        | 18.2                                    | 18.5        | 22.7         | 29.6         |
| <b>Surface water</b>      | 0.0                                     | 0.0         | 35.7         | 75.1         |
| <b>Water treatment</b>    | 0.0                                     | 9.0         | 9.0          | 9.0          |
| <b>Effluent re-use</b>    | 0.0                                     | 25.0        | 34.0         | 48.8         |
| <b>Desalination</b>       | 0.0                                     | 0.0         | 0.0          | 70.0         |
| <b>Regional transfers</b> | 0.0                                     | 0.0         | 9.0          | 27.0         |
| <b>Totals</b>             | <b>24.2</b>                             | <b>60.7</b> | <b>123.1</b> | <b>294.2</b> |

In line with the guidelines we have made an estimate of the cost attached to our preferred plan. Over the 60 year planning period we estimate that the current cost of our plan will be £1053.9m in net present value (NPV) terms and will increase the supply of water by 294.2 Ml/d.

## **Innovation**

Planning for a 60 year time horizon allows us sufficient time to look at the challenges that lie ahead and to drive more innovative solutions to meet these challenges. Some of these challenges we have developed sufficient knowledge about to have confidence that we can include them within the dWRMP19; while others need more time to be developed to meet these future challenges.

Examples of innovation already included within this plan, as approaches or selected options include:

- demand management, where we have used behavioural science techniques to encourage customers to reduce demand following comparisons with their neighbours
- smart network technology as part of our plan to reduce leakage both on the customers and company pipework
- catchment management techniques to restore or avoid lost deployable output caused by pollution

- development of third party options via a thorough licence holder engagement approach and a live licence trade
- use of the industry-leading Environment Focus Group to provide challenge to both the creation and delivery of the WRMP via an expert group of informed stakeholders

Innovative techniques we are planning to develop between now and 2025:

- Collaborating with the University of Antwerp, South East Rivers Trust, South West Rivers Trust, Environment Agency, Natural England and Affinity Water for a study to alter ecosystems to prevent groundwater flooding and improve groundwater recharge
- extending the behavioural science approach to engage with customers to reduce groundwater contamination, reduce internal leakage and improve the uptake of water efficiency devices – a concept we describe as the ‘resilient customer’ approach
- using tariffs combined with both behavioural science and smart networks to drive further demand reductions, following on from our successful metering programme
- collaborating with the supply chain and research establishments to provide improvements to, or alternatives for, the less environmentally-friendly desalination and effluent reuse options that appear towards the end of our planning period
- interacting with the market mechanisms that we help design to promote more efficient water sharing between licence holders
- investigating and participating in the Direct Procurement approach to produce better market-driven solutions to balance supply and demand
- using analytics forums such as our Leakathon where we seek to bring together experts in leakage, process and analytics to derive new solutions to old problems using big data.

**Figure 6: Preferred plan final supply demand balance**

|                                       | Dry year annual average (MI/d) |             |             |             | Summer peak period (MI/d) |             |             |             |
|---------------------------------------|--------------------------------|-------------|-------------|-------------|---------------------------|-------------|-------------|-------------|
|                                       | 2019/<br>20                    | 2024/<br>25 | 2044/<br>45 | 2079/<br>80 | 2019/<br>20               | 2024/<br>25 | 2044/<br>45 | 2079/<br>80 |
| <b>Supply forecast</b>                | 635.6                          | 605.7       | 564.3       | 561.2       | 763.3                     | 733.4       | 691.2       | 687.4       |
| <b>Demand forecast</b>                | 524.2                          | 534.0       | 572.6       | 672.4       | 644.5                     | 658.6       | 714.7       | 859.8       |
| <b>Target headroom</b>                | 34.2                           | 44.2        | 71.2        | 75.7        | 36.9                      | 47.3        | 82.3        | 89.1        |
| <b>Demand + target headroom</b>       | 558.4                          | 578.1       | 643.8       | 748.1       | 681.4                     | 705.9       | 796.9       | 949.0       |
| <b>Baseline supply demand balance</b> | 77.2                           | 27.6        | -79.5       | -187.0      | 81.9                      | 27.5        | -105.7      | -261.5      |
| <b>Preferred plan schemes</b>         | 0.0                            | 23.4        | 107.9       | 274.6       | 0.0                       | 24.2        | 123.1       | 294.2       |
| <b>Final supply demand balance</b>    | <b>77.2</b>                    | <b>51.0</b> | <b>28.4</b> | <b>87.6</b> | <b>81.9</b>               | <b>51.7</b> | <b>17.4</b> | <b>32.7</b> |

## Links to our business plan and company assurance plan

We have managed both the dWRMP19 and business plan as one integrated programme to ensure that key elements are consistent. For example we want to make sure that the resilient approach we have adopted in our dWRMP19 feeds into our next business plan.

For dWRMP19 we have adopted a comprehensive quality assurance process consistent with our company monitoring framework which we follow for all of our regulatory reporting.

Our company monitoring framework is assessed by Ofwat and we are one of just three companies who are self-assured

Our assurance process has been tailored to meet the requirements in Section 3 of the Water Resources Management Plan (England) Direction 2017 (with reference to the relevant sections of the Water Industry Act 1991) with a particular focus on the challenges the WRMP19 is addressing.

## **Join the conversation**

We consider the proposals set out in our dWRMP19 are founded on robust data and are resilient in the long term, so that we can continue to provide a sustainable water supply - from source to tap - and balance the needs of customers and the environment.

However, the preparation of this draft plan is just the beginning of our conversation.

We publish this draft as an opportunity to shape this plan further and build on the relationships that already exist, and to develop new ones. During the 12 week consultation we want to ensure we hear your views on this draft plan. Further details of how to feedback on this draft plan can be found below and in Section 11. We also want to use this consultation period as an opportunity to develop connections that will enable us to continue working together to build and deliver our final plan.

Our aim has been to prepare a plan that is accessible for all so that anyone interested in how we secure a resilient future water environment for the south east of England can read this plan and join the conversation with us. The more voices we hear from, the more confident we can be that when we publish our final plan later this year it is one that is grounded in strong customer and stakeholder support; and it will be a plan that makes a positive impact for society generally and will benefit the environment which we all enjoy for the long-term.

## **How to respond – have your say**

You can download all relevant documents, along with our draft SEA Environmental Report (with Habitats Regulations Assessment) from our website ([www.southeastwater.co.uk/yourwateryoursay](http://www.southeastwater.co.uk/yourwateryoursay)).

We recognise that this may not be possible for everyone, so please see Section 11 for details of how to view hard copies of the documents at our offices.

Any comments or submissions you make should be sent direct to the Department for Environment Food and Rural Affairs (Defra).

By email:

[water.resources@defra.gsi.gov.uk](mailto:water.resources@defra.gsi.gov.uk)

By post:

The Secretary of State for Environment, Food and Rural Affairs  
Water Resources Management Plan Consultation  
3rd Floor Nobel House  
17 Smith Square  
London  
SW1P 3JR

Via our website at: [www.southeastwater.co.uk/yourwateryoursay](http://www.southeastwater.co.uk/yourwateryoursay) which will transfer your comments directly to the Defra consultation page.

The closing date for comments is [to be confirmed]