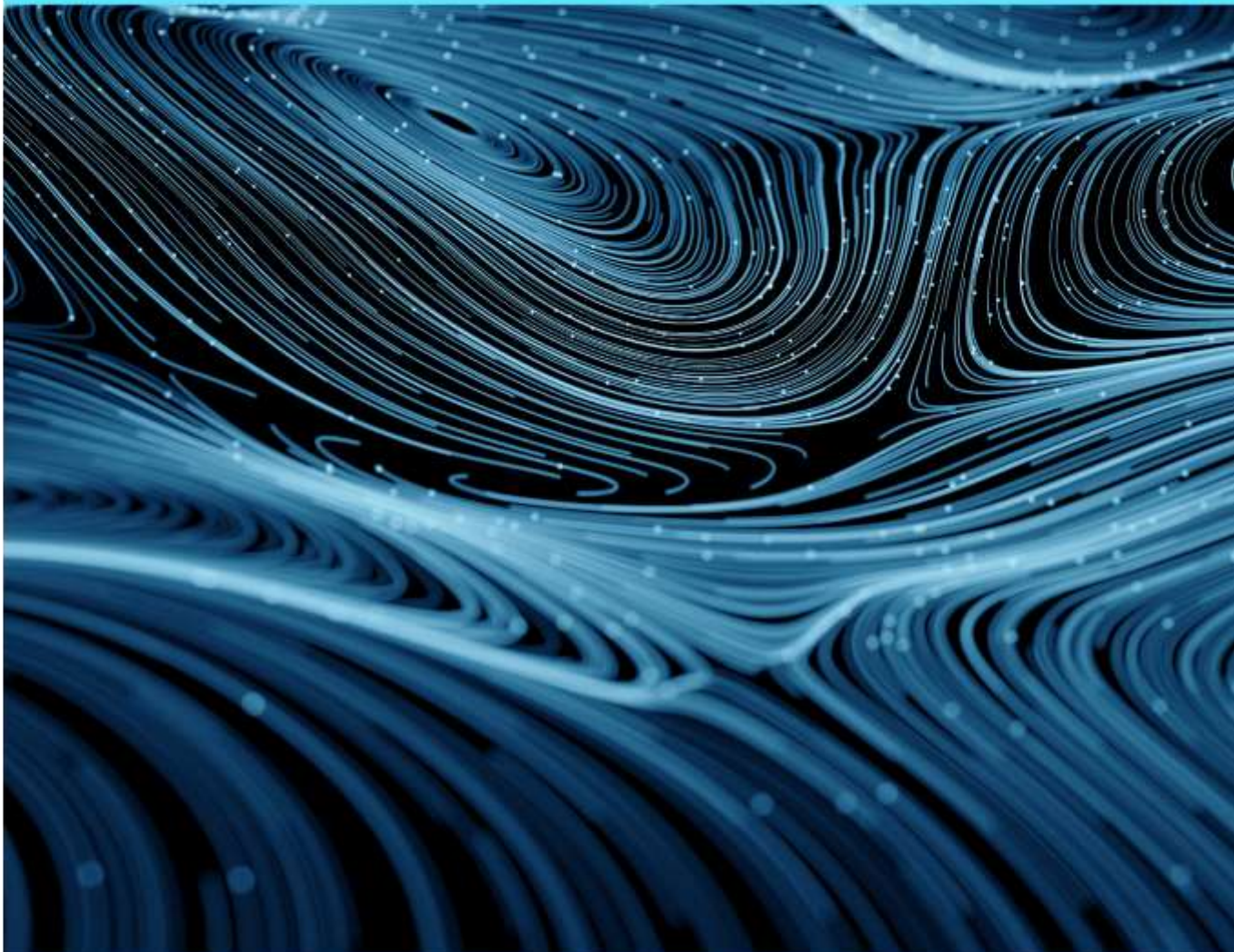




Large Gated Schemes – Whitfield WTW

Independent Assurance Report

Revision: 4.0
Southern Water
Technical Assurance



Project no: B2430117

Project manager: [REDACTED]

Date: 30 September 2025

Revision	Date	Description	Author	Checked	Reviewed	Approved
1.0	10/09/2025	Draft	████	████	████	████
2.0	19/09/2025	Updated Draft	██████	████	████	█
3.0	25/09/2025	Updated Draft – respond to SRN's comments	██████	████	████	████
3.1	29/09/2025	Final Updated Draft	████	████	████	█
4.0	30/09/2025	Final	██████	████	████	████

A horizontal bar chart showing the percentage of respondents who have been vaccinated against COVID-19, broken down by age group and gender. The y-axis lists age groups: 18-24, 25-34, 35-44, 45-54, 55-64, 65-74, 75+, and 75+. The x-axis represents the percentage of respondents, ranging from 0% to 100%. The legend indicates that blue bars represent Male and red bars represent Female.

Age Group	Male (%)	Female (%)
18-24	~15	~15
25-34	~25	~25
35-44	~10	~10
45-54	~15	~15
55-64	~15	~15
65-74	~100	~100
75+	~100	~100
75+	~100	~100

This assurance was completed in accordance with the ISAE 3000 (Revised) standard including following ethical and quality requirements.



Attention: Southern Water board

Introduction

Large Schemes are those enhancement schemes within the investment programme where the requested value is greater than £100 million, and where Ofwat has concerns around scope, cost, deliverability, complexity, or if schemes involve novel elements or complex technologies.

For the 2025-2030 period Ofwat requires independent third-party assurance for delivery of enhancement schemes, confirming that companies are using the enhancement allowances to deliver the benefits that customers are paying for.

██████ have been requested to undertake technical assurance to cover the engineering element of the submissions and provide a view on the robustness of the investment proposal based on clear engineering rationale and the extent to which it is supported by sufficient and convincing evidence.

Scope of Work and Approach

This assurance report provides the conclusions from the work specified in our Statement of Work, Southern Water Services - Statement of work- Large Gated Schemes v2, issued on 4 August 2025.

This limited assurance was performed in accordance with the ISAE 3000 (Revised) standard, and was undertaken with the following limitations:

- A risk-based approach was implemented.
- A limited sample was assessed.

This limited assurance was performed in accordance with the ISAE 3000 (Revised) standard.

Lead Assurer's Curriculum Vitae (CV) is included in the Overarching Report.

Assurance Standards Applied

We conducted our limited assurance in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE (UK) 3000 revised"). The Standard requires that we obtain sufficient, appropriate evidence on which to base our conclusion.

Duty of Care

Ofwat has introduced a new requirement in regard to duty of care where they expect the third-party assurance providers, such as ██████ to provide an actionable duty of care to Ofwat.

To ensure compliance with Ofwat's new requirements we have issued a Letter of Reliance on 12th August 2025 which covers our assurance work on the Large Gated Schemes.

Conflict of Interest

In line with Ofwat's AMP8 requirements, we have proactively managed both real and perceived conflicts of interest in collaboration with your Regulation team. All audit team members signed a declaration before the audit programme began and have completed conflict of interest training. These declarations were recorded in our register. This year, we identified no actual or perceived conflicts.

Assurer Statement

Overall, based on our scope of work and the limited assurance undertaken, we did not find any material misstatement.

We consider that:

- The Company has considered a range of options for PR24. These included upgrade of existing works, new works as well as various discharge locations. Further optioneering continues and is likely to be available for Submission 2.
- The Company has undertaken some engagement with Stakeholders. This includes customer insight for PR19 and PR24, and the DWMP. Further dedicated insight was carried out to understand customers' preferences. Recent engagement with the Environment Agency and Ofwat in the form of review meetings have taken place.
- The option taken forward to design at PR24 was assessed as the best option for customers using Cost Benefit Analysis (CBA) undertaken for PR19. The options were not revisited for the PR24 submission, but the Capex was updated. The Company is currently reviewing the options.
- The Company has presented the same solution to that which was originally proposed for PR24. Options are currently being reviewed and CBA is being refreshed. This is expected to be complete prior to Submission 2.
- The proposed solution identified in the PR24 business plan is designed to address the risk identified. The scheme is designed to accommodate an additional 6,350 domestic properties.
- A change log is not provided as the Company confirms that there are no material changes at Submission 1.
- The risk register presents a table of key risks. This presents pre and post mitigation risks scores as well as the proposed mitigation measures. The risk owner is not allocated and the impact on scope, programme and cost is not listed.

Summary of Key Findings

Key Findings

The assurance was undertaken through Microsoft Teams sessions combined with offline reviews. Key findings listed below are based on our review of SRN's final documentation provided on 15th September 2025 and the additional information provided by 26th September 2025 - documents reviewed are listed in Appendix A:

- The company has used the PR24 figures and state that there is no material change. The scheme is founded in proposals originally developed in PR19 and PR24. The need was identified to accommodate population growth as part of the Whitfield Urban Expansion remains and the solution has been further developed for this submission. A full review, including Options considered at PR19 has been undertaken and the preferred solution remains. Optioneering of the solution continues and will be carried on until Submission 2.
- A high level programme only has been provided indicating critical path activities. No baseline or progress has been indicated and the information provided is limited to circa 50 activities. It is not possible to ascertain if the scheme is on track. A more detailed programme should be developed, with focus between Submissions 1 and 2. It is proposed that construction will commence within AMP8. Phasing is noted, though details of this are dependent on further investigations.
- Risks were considered within the submission. Risks identified and scored though not quantified in terms of impacts on scope, cost or programme. Risk methodology not provided to date.

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- Cost Benefit Analysis (CBA) was undertaken by SRN to inform PR19. All options are currently being reviewed and re-costed to ensure that the option being progressed provides best value and SRN have stated this will be provided at Submission 2. Value for Money will need to be demonstrated.
 - We understand that the project documentation that is required for Submission 1, i.e. Solution workbook, decision log at each stage of the design process, outline design report / documents related to the preferred solution will be provided for Submission 2.
 - A change log is not provided as the Company confirms that there are no material changes at Submission 1.
 - The solution delivery dates are unclear. SRN stated that the delivery is expected to be complete in 2035, extension to 2040 is for flexibility, but scheme is expected to be delivered by 2035. However, we found commissioning planned for 2031 (Phase 1) and 2034 (Phase 2) in submission 1 but PCD delivery plan shows completion date forecast to be 2031. Also, section 6 Customer Protection states 'Delivery is expected by March 2035, with flexibility for extension to 2040 if substantially started. The PCD will be updated based on final solution and by Submission 2'. This is not incorporated into the programme.
 - SRN confirmed on 26/09/2025 that a full governance review of the schemes will be completed prior to the submission.



Lead Assurer



Appendix A. Record of Evidence Reviewed

1. Large Scheme Gated Approach Submission 1 - Whitfield Growth v3_(draft).docx
2. Whitfield Growth - Annex A1 - Solution Optioneering Report.pdf
3. Whitfield Growth - Annex A2 - Feasible Options Review.pdf
4. Whitfield Growth - Annex A3 - Environmental Appraisal.pdf
5. Whitfield Growth - Annex A4 - Basis of Design Document.pdf
6. Whitfield Growth - Annex B1 - Cost Build Up Outline Methodology - Issue 050925.pdf
7. Whitfield Growth - Annex B2 - Options Benchmark Report Rev 2 - Issue 100925.pdf
8. Whitfield Growth - Annex D1 - Planning and Consenting Strategy.pdf
9. Whitfield Growth - Annex D2 - Risk Register_v2.docx
10. Whitfield Growth - Annex E1 - Stakeholder Engagement Plan_v2.docx
11. A8-0128-870523 - Whitfield Option 4 Coastal Discharge R3.pdf
12. A8-0128-870523 - Whitfield Option 4 Coastal Discharge R3.xlsm
13. Whitfield - Summary and Dashboard V2 Issue 100925.xlsx
14. Evidence of EA mtg & response.pdf
15. Evidence of Ofwat mtg.pdf
16. SRN letter to Ofwat 26th Aug 25 re Addditional flexibility for LSG.pdf
17. Whitfield Growth_TransferPipeline_PotentialRoutes_Sept2025.docx
18. P6 Programme JQ 11.09.docx

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