Stakeholder Update: Hampshire

04 June 2025

from Southern Water

Today’s agenda

- Welcome
- Company update
- Support available to customers with bill increases
- Water-related investments and highlights
- Drought position and measures
- Testwood & Otterbourne – site updates
- Water recycling
- Wastewater highlights
- Clean Rivers and Seas
- AOB

Our Business Plan: 2025 to 2030

- In December 2024 we received our Final Determination from Ofwat for our Business Plan for the period April 2025 – March 2030
- After very careful consideration, our board decided to appeal Ofwat's Final Determination to the Competition and Markets Authority (CMA)
- We felt Ofwat's Final Determination would not enable us to deliver the environmental and performance improvements and new infrastructure that our customers and communities rightly expect
- It is important to note, the CMA appeal will not affect customer bills for 2025-26

CMA appeal – where we are

- Recently Ofwat submitted its Statement of Case (SOC) to the CMA on disputing company cases
- The CMA appeal process does not hinder plans for 2025-26, which will be delivered as laid out in our Business Plan 2025-30
- The CMA appeals process is due to be completed before the end of the calendar year 2025
- During the appeal process, and to continue advancing investment in the improvements and new infrastructure our network and assets need, we've also announced our intention to raise £900million of new equity from our investors

Business Plan 2025–30

£7.8bn

£682m
Spill reduction

To stop 2,500 spills

£559m
Wastewater nutrient removal

To remove phosphorus and nitrogen during wastewater treatment before releasing it back to the environment

1,200
Schemes and investigations

To protect, restore and enhance the environment

38
Wastewater treatment works

Increasing capacity and capabilities to support predicted population growth

Network maintenance
Maintaining and upgrading equipment to further improve reliability of our assets, improving pollution and leakage performance

Microbiological treatment
Ultraviolet disinfection to protect shellfish water quality

Screens
Investment in new screens to keep more debris, such as wet wipes and sanitary products, out of the wastewater system

Sludge treatment
Increasing use of the byproducts of wastewater treatment as agricultural fertiliser and using captured gases as renewable energy

Investment

Hampshire

£858m

£22m East and North East Hampshire	**£40.2m** Eastleigh	**£132m** Fareham and Waterlooville	**£96.9m** Gosport	**£7.8m** Hamble Valley
£117.5m New Forest	**£20.3m** North West Hampshire	**£208.4m** Portsmouth and Havant	**£156.6m** Southampton Test	**£56.5m** Winchester and Basingstoke

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Supporting customers as bills rise:
Nicky Chitty

from Southern Water

Vulnerability Strategy

Our Vision Everyone regardless of their circumstances can access their water and wastewater services

- **Priority Services** – Tailored services for individual needs
- **Financial Support** – Range of support tariffs and grants
- **Raising Awareness** – Targeted campaigns and media
- **Outreach Work** – Community programmes, workshops and events
- **Partnership** – Stakeholder relationship and collaboration

WATER for LIFE from Southern Water

Why data-share?

“I’m not hard to reach, you’re just not looking in the right places”

Since 2023, following an Ofwat scheme for Water and Energy companies to collaborate with Priority Services data-sharing, we have seen our Priority Service Register grow from just over **160,000** to over **310,000**, which is a **94%** increase.

- **Water Poverty** – Consumer Council for Water estimate 1 in 5 customers will struggle to pay their bill
- **Increased Reach** – 22 local authorities within our region, each supporting residents with benefit payments
- **Targeted Data** – Access to specific relevant information to deliver effective financial assistance

WATER for LIFE from Southern Water

Benefits of data-sharing

"By sharing information directly with Southern Water, our team has helped thousands of our residents get instant money off their water bills without them having to lift a finger".
Cllr Lee Cowen, Adur Cabinet member.

Increased Reach
Improved connection with those not aware of the services available

Less Effort
Reduces burden on customers, allowing a 'Tell us once' approach

Increased Awareness
Greater visibility helps build awareness of available services

Increased Customer Satisfaction
Ensures customers receive the right support at the right time

Improved Efficiency
Ability to quickly identify and target support where it's needed

Better Engagement
Builds improved customer interaction and makes it easier to connect

WATER for LIFE from Southern Water.

Success measures to date

22 Local Authorities engaged across the region

7 Data agreements completed

10 in progress

Anticipated **144,000** customer records

36,600 records received to date from 4 local authorities

16,369 additional customer supported with social tariff

Over **£2,802,000** in customer savings since the beginning of the initiative

WATER for LIFE from Southern Water

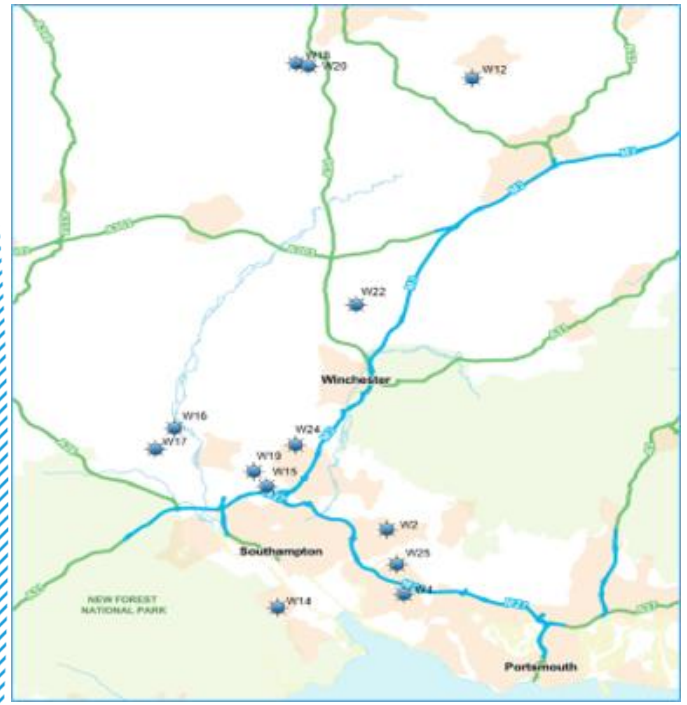
Water investments:

Simon Moore

from Southern Water

We have a substantial plan for investment over the next 5 years across Hampshire

Our plan will reduce impact on the region's precious chalk streams through alternative sources of water, improving the reliability of major supply works at Testwood and Otterbourne and through mains replacement



Key Production Site Schemes Investment:

- **£300m** in **Otterbourne WSW** and **Testwood WSW** improvements. To improve site resilience and reliability, enhancing our treatment processes in response to tightening regulations.
- **£11m** in a **Disinfection Future Resilience Programme (DFRP)** at **Twyford, Barton Stacey** and **Andover**
- Under **WRMP** we are planning investing in a number of schemes:
  - **New surface water reservoir at Havant Thicket**
  - **Ongoing works on SESRO and Thames to Southern (T2ST) reservoirs**
  - **Infrastructure for 21Ml/d imports from Portsmouth Water at Gaters Mill**
  - **New link mains for Southampton and Andover**

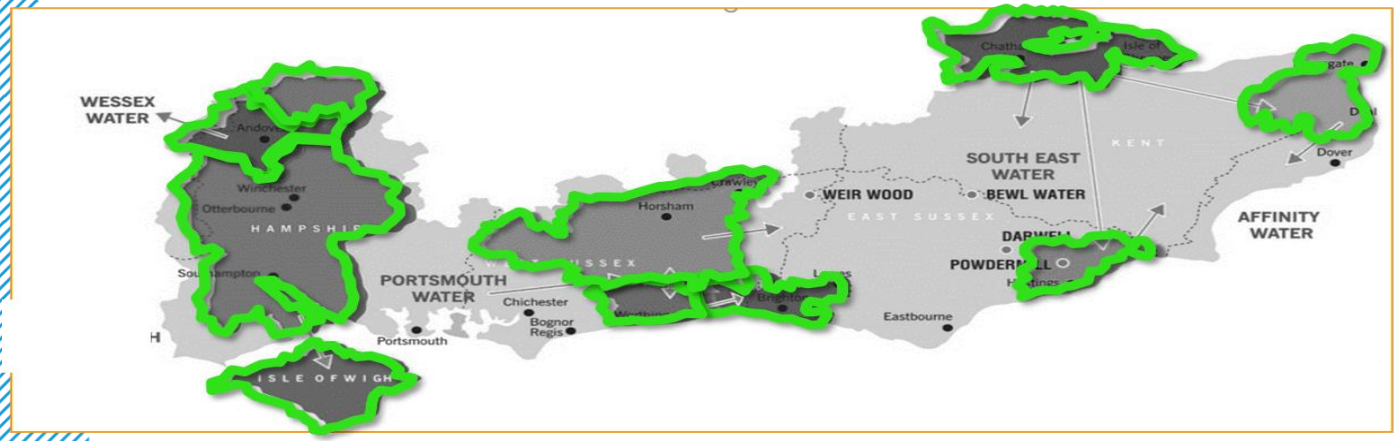
- **Mains Replacement**: 14 locations with high burst rates across Hampshire, **totalling over 15km**. We are finalising our 2025/26 programme of mains replacement - customer drop-in events will be promoted
- **Trunk Mains**: **£1m** for already identified schemes across the region

Drought position and measures: Mick Clarke

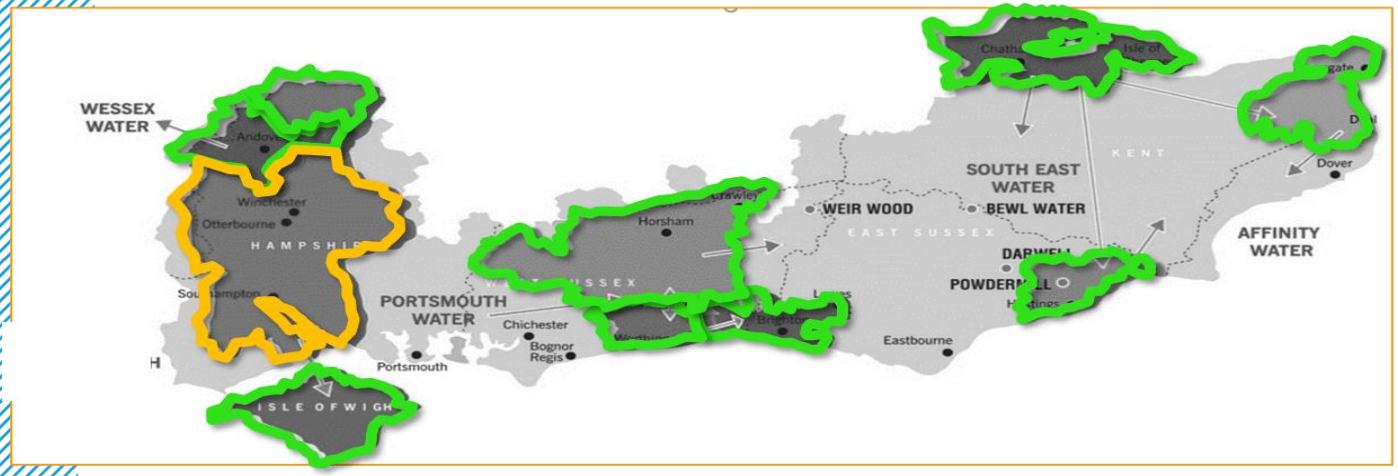
from Southern Water

Hampshire Update on Southern Water Drought Risk and Mitigation Plans

Current position.



Late Summer / Autumn Forecast based Long-Term Rain Forecast



Resource risk:-	normal	concern	drought

- Groundwater levels are average for the time of year.
- Overall surface reservoir storage is good.
- **River flows concerning, specifically the River Test.**

- The south of England has seen prolonged dry weather, **with only 2 months out of the last 7 receiving average levels of rainfall.**
- This has caused a **reduction** in some groundwater levels and **river flows**.
- **Soil Moisture Deficit levels are far higher** than the seasonal average.
- This **prevents any rainfall from being effective**, with the ground too dry to absorb the water.

- **Preparation:**
  - Southern Water are **following their Drought Plan**, with mitigation measures sent to the Environment Agency (EA).
  - We are engaged in regular communication with the EA to ensure we are application ready.

- **Response:**
  - Appointed a drought Manager (Richard Smart)
  - We are running a **Customer Communications Campaign** to promote water saving and **highlight water scarcity**.
  - We have **invested £600k in leakage detection and repair** in the Hampshire area – to deliver an estimated 1.8Ml/d above base plan.
  - We are **funding a Water Efficiency campaign** with **£500k of investment** to reduce water consumption in NHH – expected 3ML/d.

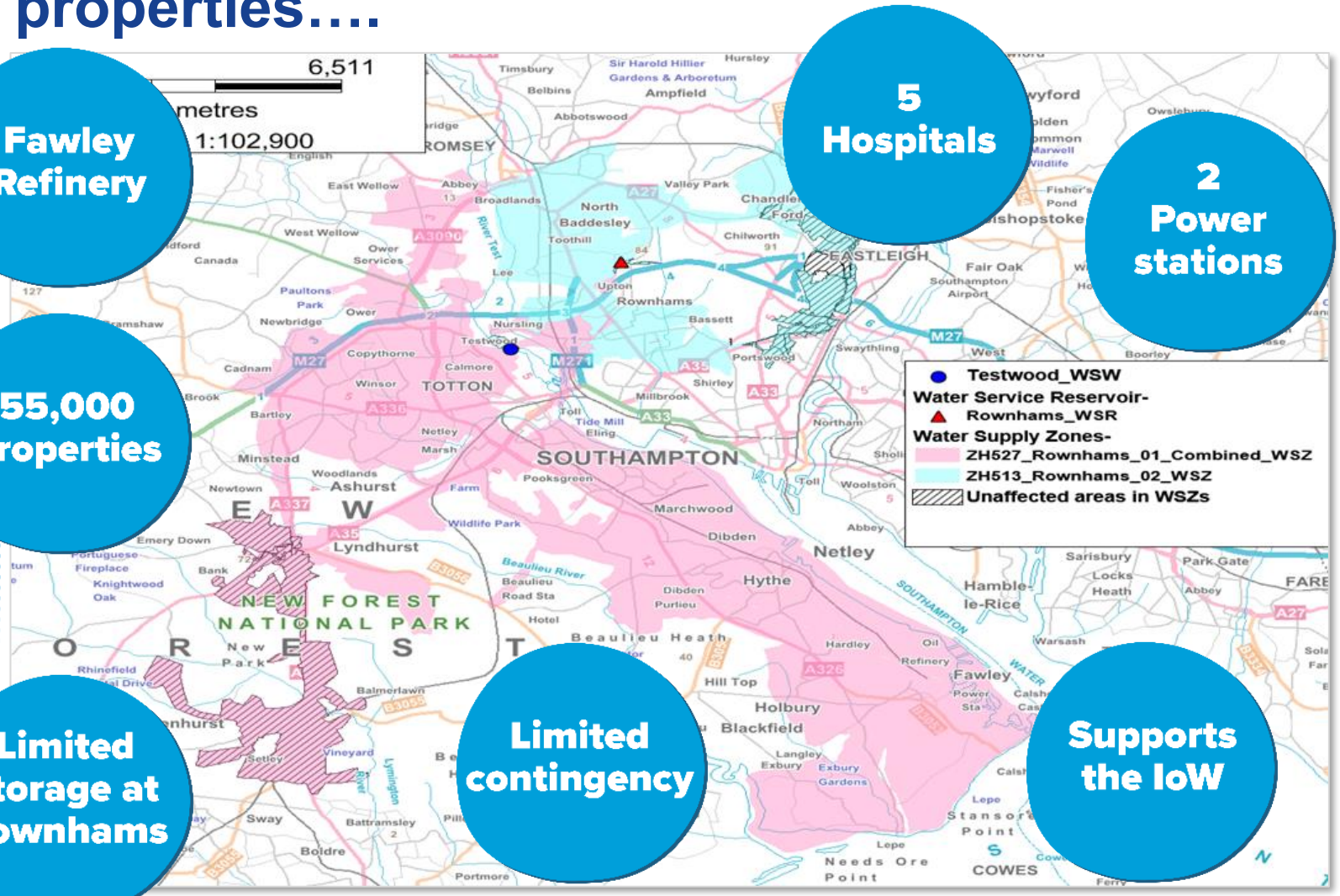
- **Modelled Forecasting:**
  - **Worst Case Scenario would require a permit from the EA** before the end of August.
  - **Average rainfall** would still meet the trigger to **submit a formal application** in September.
  - With **60% of LTA rainfall,** we would **require a permit** to be active in October.

- At point of application, Southern Water will review the implementation of a temporary use ban for the affected areas (hosepipe bans).

Testwood and Otterbourne – water supply site updates: Mick Clarke

from Southern Water

Testwood Incident Impacted area – around 55,000 properties….



- ~70% of assets beyond age, leading to lots of reactive issues
- One third of the site is very unreliable
- Water quality challenges with high turbidity
- Temporary ultra-violet light disinfection (installed 2019) needs to be updated to improve the resilience of the works
- All of this will be resolved as part of our long-term plan, with the major risk reductions to be completed over the next two years: we are **investing >£200m by 2033**

Incident Response Improvements Implemented to Date

Category	Improvement
Clean Water Tankers	New fleet of **6 water tankers** supporting customers during outage. **130 Hospital plans** and **689 suitable injection points identified for Hampshire**
Priority Service Customers	Increasing Priority Service Register to 20% of customer base (currently 16%)
Bottled Water Stations	More than **130 Bottled Water Station sites assessed,** and **199 Community Hubs identified**
Incident Management	Incident Management structure review, aligned to Joint Emergency Services Interoperability Principles (JESIP) improving work with **local resilience forums**
Incident Resources	Review of Incident Response Rotas, **increasing resilience and ensuring 24-hour** deployment pattern. **More than 90 Southern Water colleagues** supporting Bottled Water Stations

We're committed to a continuous improvement of our incident response and we know we must do more to support our customers in vulnerable circumstances

Improving water supply resilience: Otterbourne

- We began a programme to rebuild our water supply works at Otterbourne during AMP7 – a very complex staged construction to keep the site operational throughout

- Numerous challenges - the site cannot be switched off during construction so installation of new equipment in stages to keep site running, providing water for c.120,000 properties across Hampshire

Improving water supply resilience….continued

- The process has not been without its problems and Otterbourne will remain a high-risk site until works are complete
- Work should have taken place over an extended period, minimising risk, but pressure from regulators to keep water bills affordable meant the expense could not be met
- The rebuild while remaining operational is likened to attaching Ferrari parts to a 1960s Skoda and expecting things to work!
- As a project like this has never been done before, we are learning as we go
- Although high risk, this is a programme that must be completed to keep delivering high quality water to our customers now and for years to come

Investment Timeline: Otterbourne

Planned investment across AMP7-9

AMP7-9 Total **£215m**

FEO

Non-FEO

AMP7

- Complete borehole and well improvements (inc. power resilience and RTW)
- Ensure the main dose hypo dosing is compliant with SWS standards
- Carry out repairs to the RGF hall roof
- MCC4 and associated equipment: refurbish and replace where required
- Upgrade SCADA, Water Quality Shut Down, site monitoring and control systems
- Site generator refurbishment
- New High voltage equipment
- Complete repurposing of the existing contact tank
- New combined surface and groundwater capacity contact tank and associated dosing systems for the full, combined works flow
- New intermediate and high lift pumps, including sample points
- New final RTW
- Provide polyelectrolyte duty standby dosing pumps
- Refurbish the low lift pumping station (abstraction)
- Replace the wash water pump
- New hypo dosing system, controls and monitoring
- Automated RTW facilities required prior to blending to ensure independent isolation and return to service of GW and SW flows

AMP8

2025

- Improve access to clarifier sedimentation tanks
- Improve access to the groundwater works balancing tank
- Alarm status of the band screens to SCADA

2026

- Ensure abstraction transformer bunds are compliant with respect to risk of groundwater contamination

2027

- Investigate, cut and cap redundant pipework
- Phase 1 Power Resilience

2028

- Borehole access bridge
- Microfiltration plant SCADA visibility
- Repair or replace MCC5

2029

- New Ceramic membrane to support surface and groundwater stream (91ML/d)
- Resilience upgrades to the existing systems
- Provision of additional automation on site

AMP9+

2030+

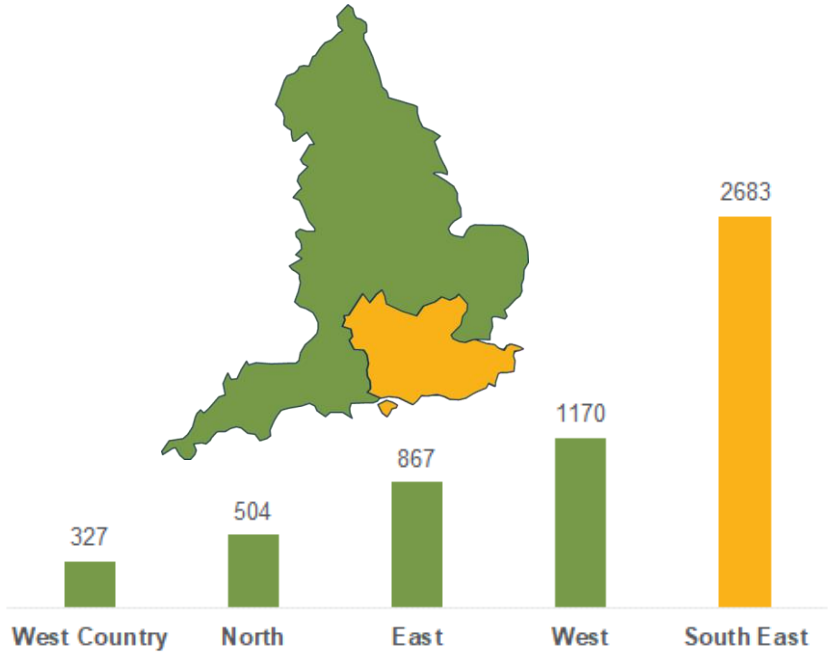
- Long-term pre-disinfection treatment and wash water recovery system
- Power Resilience Phase 2
- New carbon treatment system
- Decommissioning of existing groundwater microfiltration will be required
- Increase the level of site automation (complete site automation & digital twins)

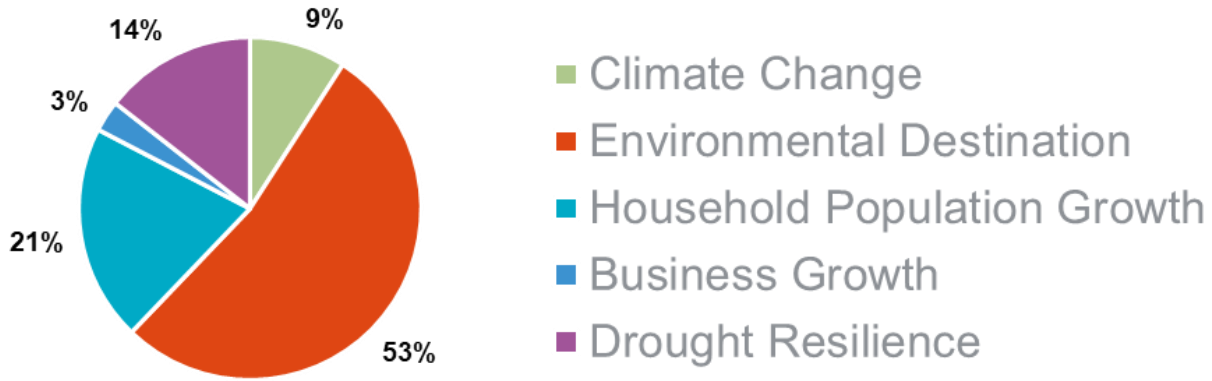
Hampshire Water Transfer and Water Recycling Project update: Sam Underwood

from Southern Water

The South East of England is seriously water-stressed

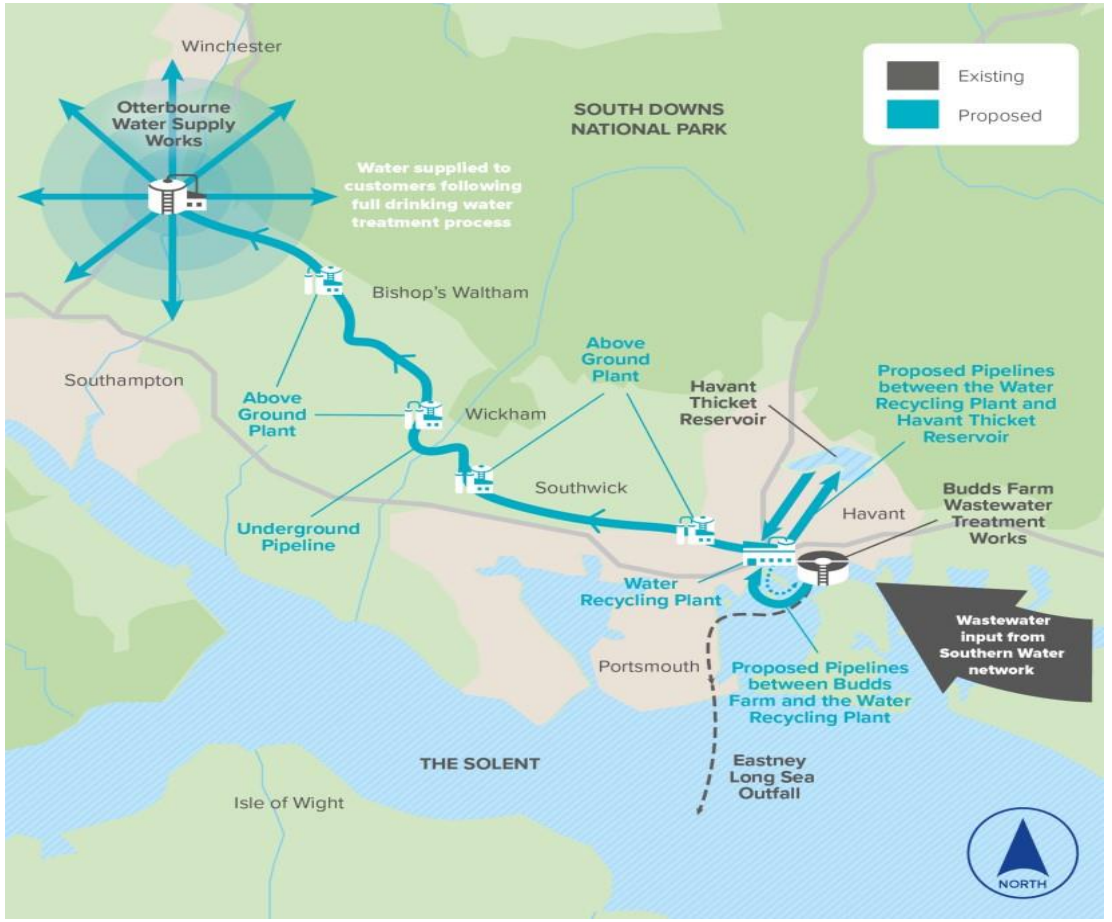
- The Environment Agency says England needs to find 5 billion extra litres of water a day by 2050.
- Half that is needed in the South East, where we'll run out of water in ten years if we don't take urgent action.
- The main driver in the South East is what the EA calls "Environmental Destination" – leaving more water in the environment to improve and enhance the natural world.





The Hampshire Water Transfer and Water Recycling Project

- Would be able to produce up to 60 million litres of purified recycled water a day ahead of, and during, a drought.
- Would top up Havant Thicket Reservoir – allowing up to 90 million litres a day to be taken from it during a drought.
- All water supplied to customers would continue to meet strict UK Drinking Water standards.
- Reject water would be released 5.7km to sea.
- Our latest public consultation was held in Spring 2025. It focused on environmental water quality data and 25 design refinements.
- Construction could start in 2029 with the water recycling plant operational by 2034.



Find out more at:
www.hampshirewtwrp.co.uk

Wastewater updates:

Chris Braham

from Southern Water

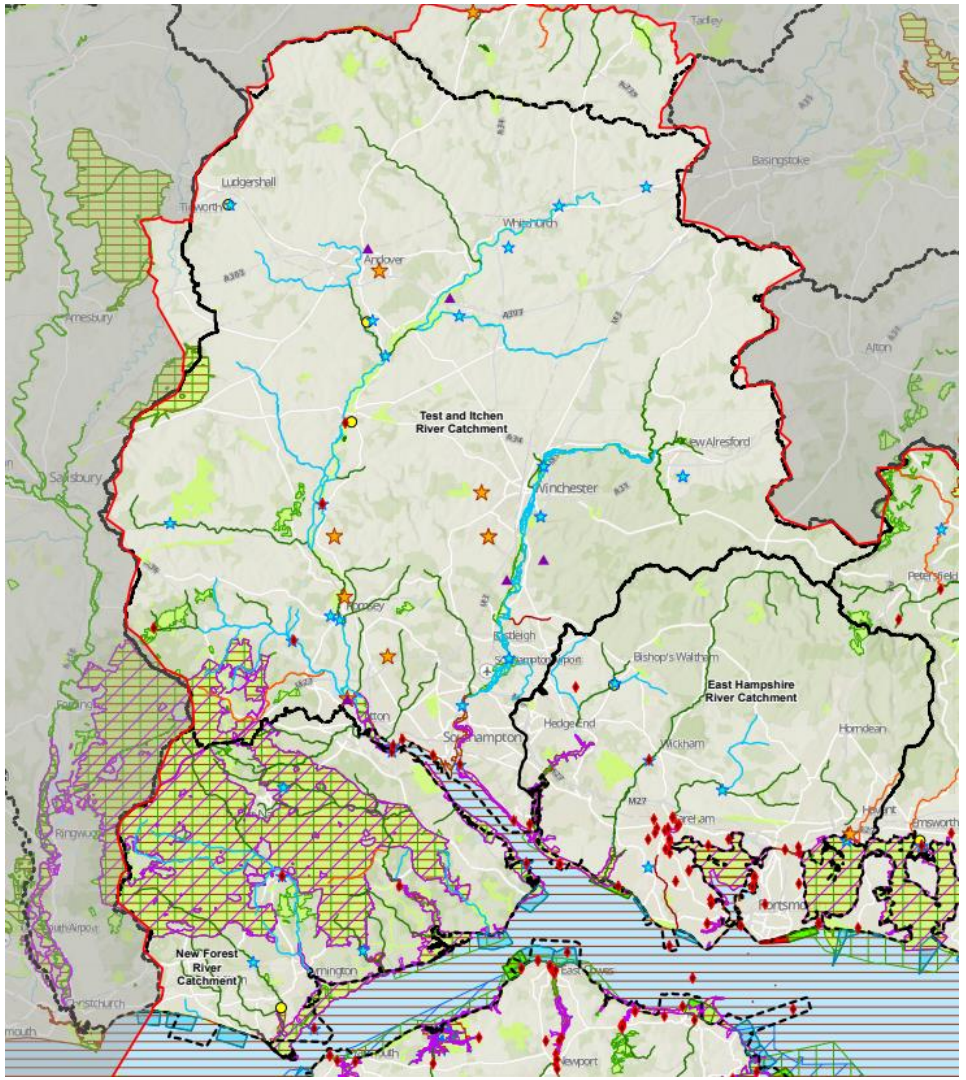
Previous events have provided investment overviews: website summaries available shortly

£40.2m in Eastleigh

We're refurbishing our Chickenhall Eastleigh Wastewater Treatment Works to minimise bursts and failures which could lead to pollutions. We're also removing nitrogen and phosphorus from river outflows and improving our flow monitoring to reduce the likelihood of emergency storm overflow releases.

£156.6m in Southampton and the Test Valley

To improve water quality and protect the environment, we're carrying out groundwater investigations and catchment schemes around our Barton Stacey, Chilbolton, Horsebridge, and Timsbury Water Supply Works. We're also increasing treatment capacity at our Fullerton and Stockbridge sites to reduce spills in the River Test. Further investment will reduce spills in the Hamble Valley and River Itchen, and remove nitrogen from river outflows across the area.



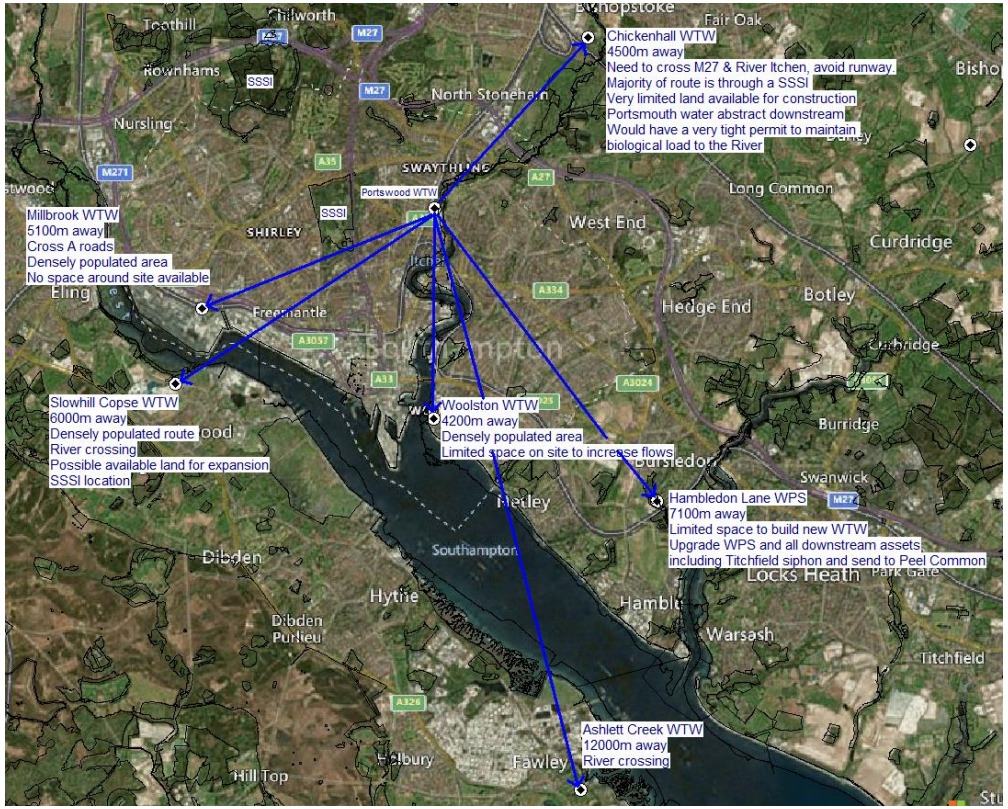
£117.5m in Winchester and Basingstoke

We're removing nitrogen and phosphorus from outflows into local rivers at Morestead Road, New Alresford, and Harestock, improving local water quality and improving river ecology. We're also increasing treatment capacity at Bishops Waltham and carrying out ecological resilience schemes at our Totford Water Supply Works.

£208.4m in Portsmouth and Havant

We're increasing capacity at Budds Farm Wastewater Treatment Works to reduce spills and improve the recycling of byproducts from the treatment process, enhancing local water quality. We're also replacing two rising mains in Drayton and Fishery Lane, Hayling Island, and refurbishing nearby pumping stations to reduce the likelihood of pollution.

Case study: Portswood Wastewater Treatment Works



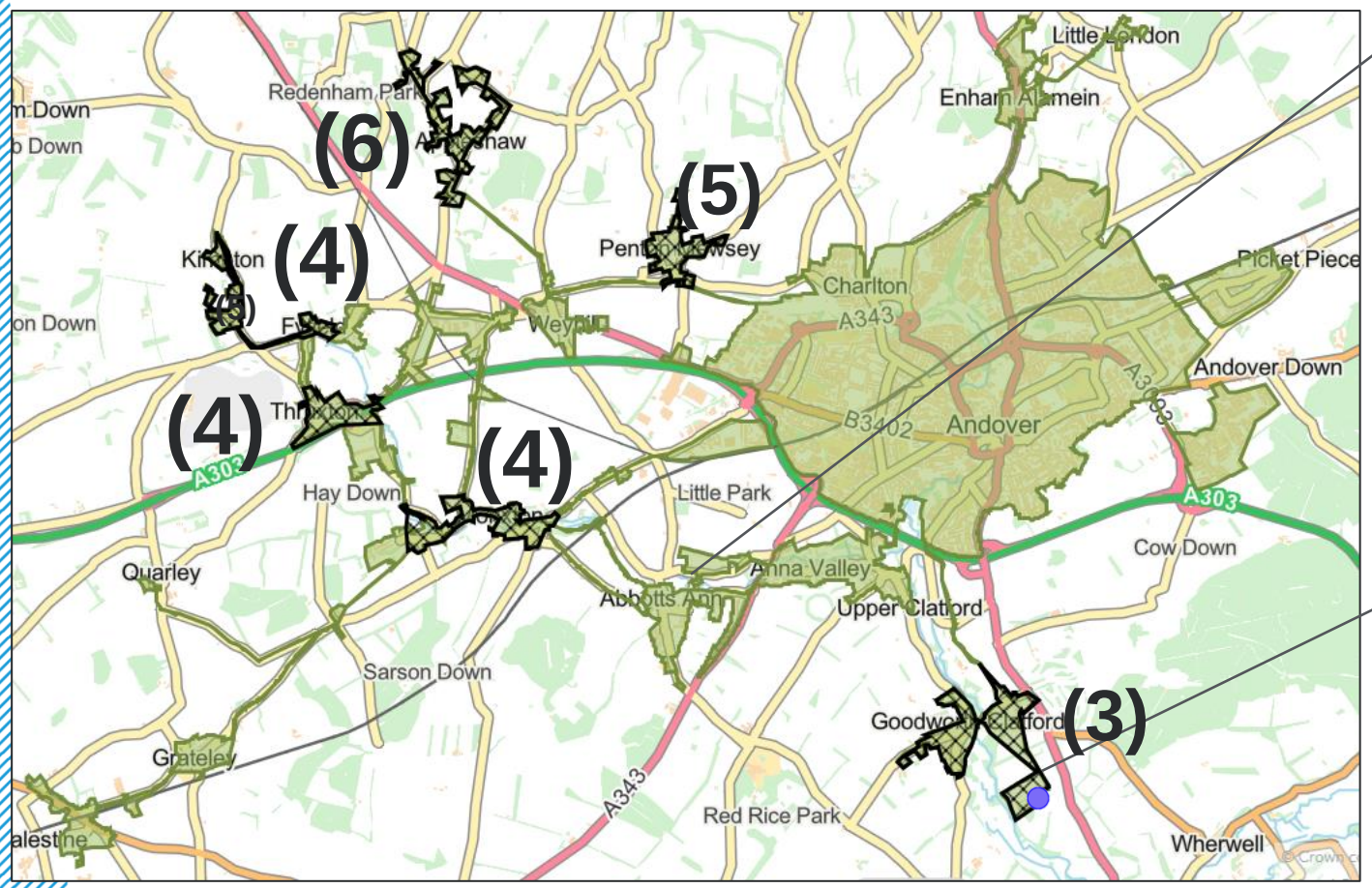
Key drivers and future risks:

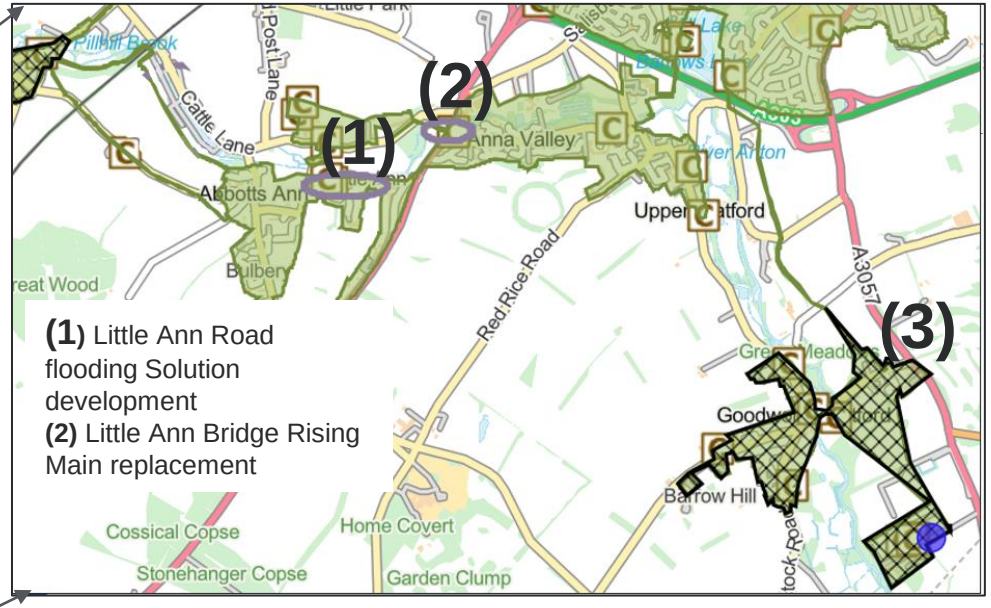
- Major scheme to reduce nutrients (nitrogen) to technical achievable limit of 10 mg/l by 2030. Costs circa £40m
- Constrained site limits options
- Potential risks to salmon migration. Investigation underway with additional sondes installed in May
- Interim mitigation in place – dosing ferric to reduce the biological load to the river
- Assuming future designation as bathing water, with strong support from council

Delivery Partners are in place and working with us to assess options. Current position is:

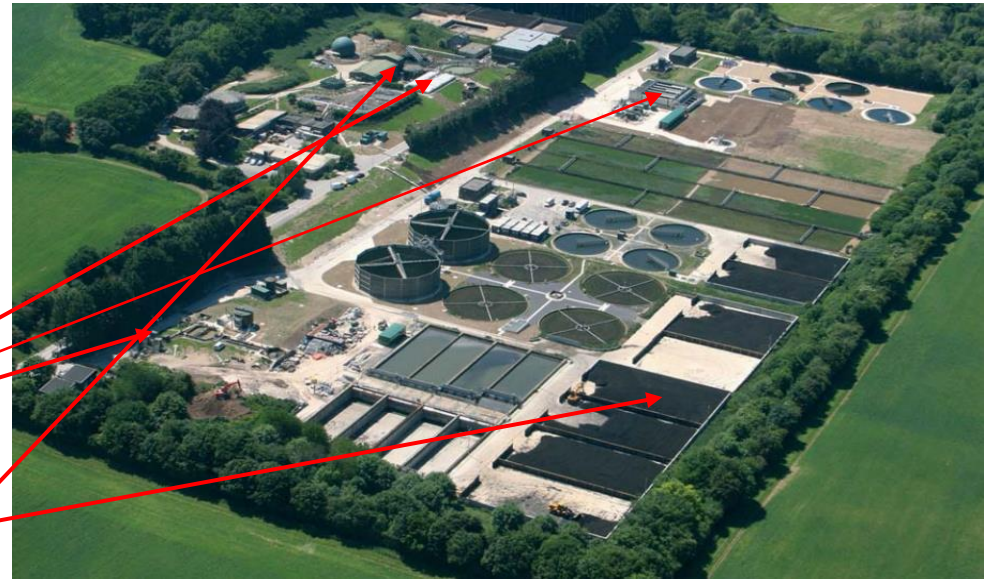
1. Options to relocate have been assessed and are unrealistic due to major infrastructure crossings (M27, airport, SSSI and river crossing). Costs in region of £300m
2. Conventional scheme as agreed via Price Review but include a second phase for UV treatment. Currently assessing locations and available space
3. Advanced scheme using membranes could future proof the site but more than double costs (and funding)
4. Is there a combination of options 2 and 3?

Case study: Fullerton catchment





(1) Little Ann Road flooding Solution development
(2) Little Ann Bridge Rising Main replacement



Sewer Sealing of Public & Private sewers:
(3) Goodworth Clatford
(4) Pan Parish areas
(5) Penton Mewsey
(6) Appleshaw

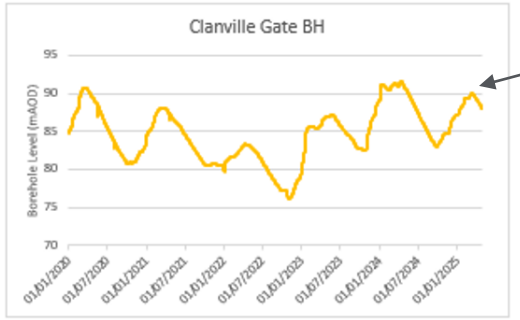
Fullerton WTW - £40m

- Nutrient removal (Phosphorus & Nitrogen)
- Growth Scheme increased flows
- Inlet screens to be replaced
- Centrifuge replacement
- Combined Heat & Power unit replacement
- New bioresources cake bays

Groundwater update: Floyd Cooper

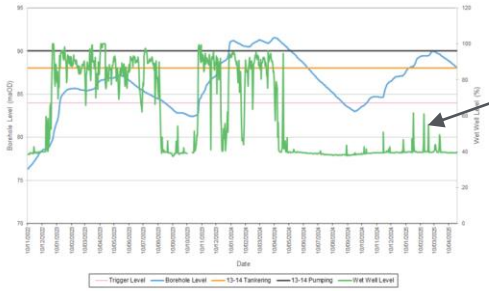
from Southern Water

Groundwater - Hampshire



Quieter this year, but still significant

This winter was undoubtedly drier than the previous one, but the borehole levels recovered poorly in the summer and so the winter peak level was still significant



Pathfinder success

As seen in the ‘wet-well’ trend for the 2024-25 winter season at Mullens Pond WPS, previously our most acutely impacted groundwater site

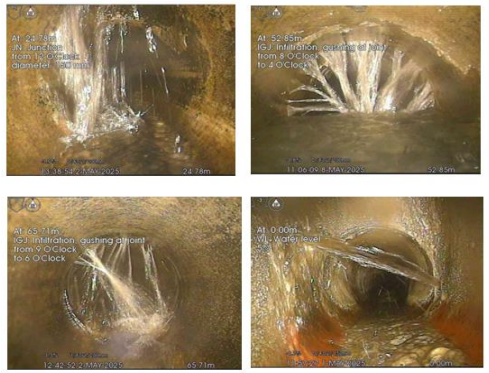
Tanker reduction through extensive sewer lining

No continuous Groundwater tankering in the Pan Parish area.
Occasional wet weather mitigation only
Greatly reduced tankering in the St Mary Bourne catchment

Catchment	Region	Status
Stockbridge	Hampshire	Complete
Kings Somborne	Hampshire	Complete
Broughton	Hampshire	Complete
East Grimstead	Hampshire	Complete
Barton Stacey	Hampshire	In progress
West Wellow	Hampshire	Complete
Appleshaw	Hampshire	Complete
Weyhill	Hampshire	Complete
Penton Mewsey	Hampshire	Complete
Sherfield English	Hampshire	Complete

Groundwater infiltration Investigation

Building on our investigation work last year, we commissioned further network investigations across 10 Hampshire catchments, totalling 20 km’s



Findings and next steps

Significant findings which will form the basis of this summer’s ambitious plans for a focussed drive on sewer lining across multiple catchments

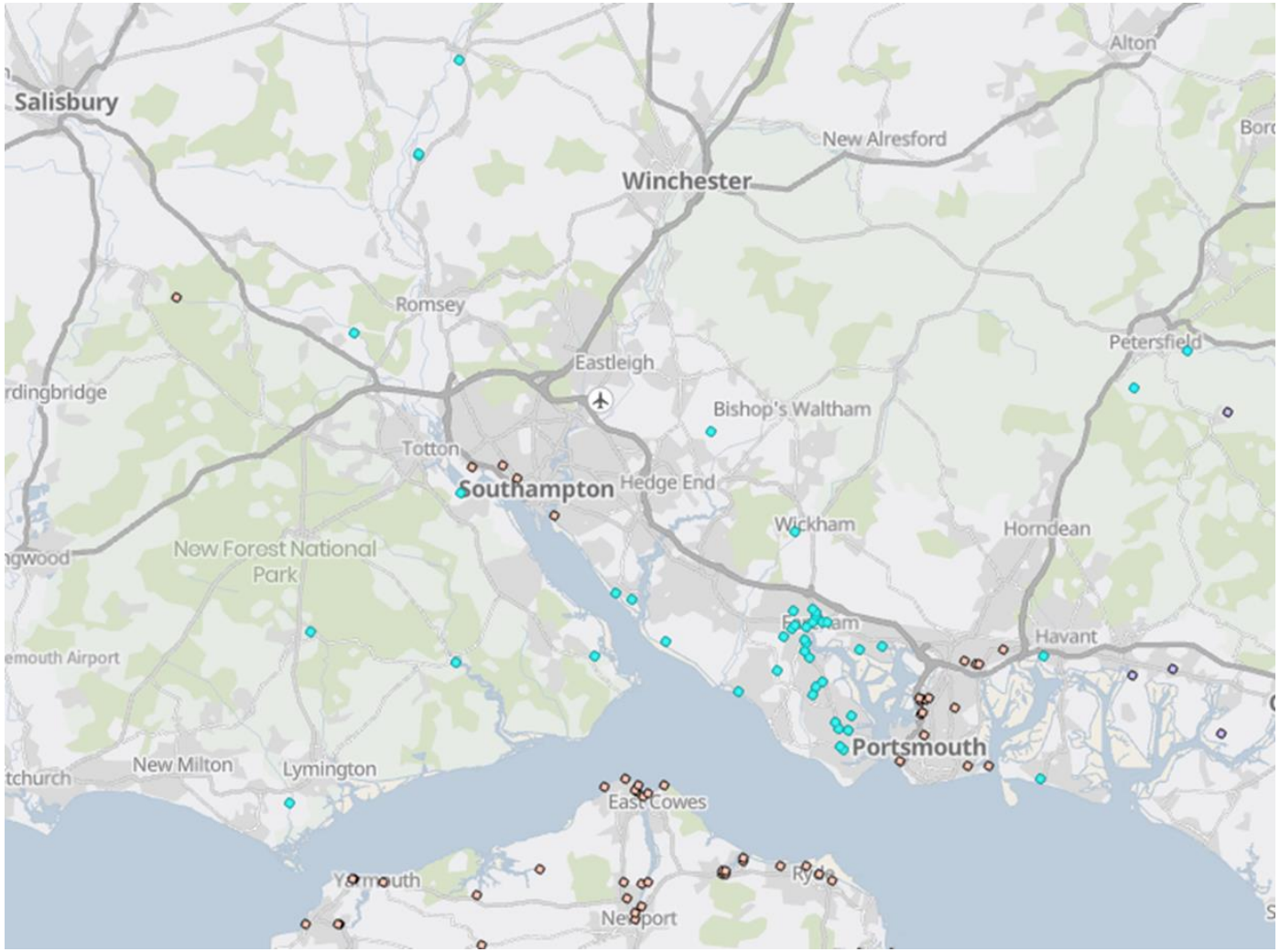
Groundwater Summit

We held our Groundwater Summit last week with key stakeholders from across the business to share lessons learned, and agree funding and next steps for our AMP 8 Groundwater plans

Clean Rivers and Seas Task Force update: Nick Mills

from Southern Water

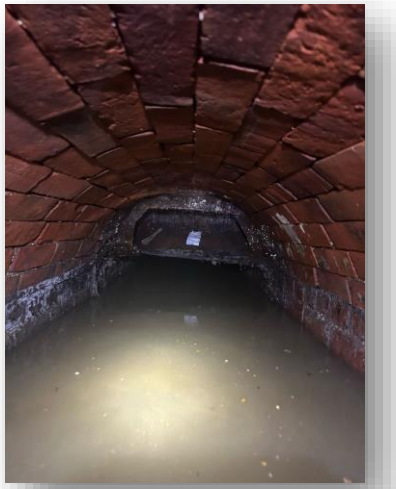
Clean Rivers and Seas work within your area



Regulatory Date	Number of overflows	Total Cost	Total Spills Saving
2027	27	£ 175,619,920	244
2030	5	£ 5,752,600	149
2035	17	£ 139,577,480	844

Work so far…

- 50 homes, 4 industrial units and 1 car park disconnected from the combined sewer system
- Over 1 Hectare of stormwater removed from the foul system in Fareham
- 1,000 tonnes of water during a 10mm storm.



Working in partnership

Key partners in Portsmouth City Council's application to Nature Towns and Cities Heritage Fund

Positive conversations with SWR about their stations in our target areas

Two schools in Portsmouth included in SuDs for Schools work, in partnership with DfE

Discussing further opportunities for Highway SuDs with

Share your thoughts

from Southern Water


You can vote
at Slido.com with the code:
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from Southern Water