

Test Surface Water Stage 0.1 Drought Order 2.3 Section 20 implementation Progress

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1 Section 20 Implementation progress

1.1 Overview

Under the Section 20 Agreement (s20) agreement, SWS is committed to fund and implement year on year environmental monitoring, commencing in 2018 and ending in April 2030, together with permanent mitigations to be completed by April 2030 and, environmental compensation satisfying the Habitats Regulations to be implemented by 2030. These commitments are in respect of the potential impacts of the drought permits and drought orders recognised for potential implementation under the s20.

Clause 11 of the s.20 Agreement, entered into by the Environment Agency and Southern Water in March 2018, requires Southern Water to use its All Best Endeavours to deliver its long-term water resources scheme for Hampshire. Southern Water is progressing implementation of the long-term water resource scheme under its Corporate programme - "Water for Life Hampshire" (WfLH) Programme.

1.2 Approach to monitoring, mitigation and compensation delivery

The respective monitoring, mitigation and compensation measures are set out in series of eight "work package" documents. The three monitoring and three mitigation work packages were finalised in 2018 and the two Habitats Regulations compensation work packages (one for the Candover Drought Order and one for the Lower Itchen drought orders) were finalised in 2019. The EA and Hampshire & Isle of Wight Wildlife Trust (HIWWT) are engaged as primary delivery partners for monitoring and mitigations, with respective measures allocated to each, funded by SWS. In 2019 the EA advised SWS that it couldn't be the delivery partner for the compensatory habitat work that the initial understanding had assumed. In 2020 SWS engaged Wessex Rivers Trust (WRT) as delivery partner for those instream habitat and fish passage improvement aspects of the work programme, with HIWWT already engaged to deliver White Clawed Crayfish and Southern Damselfly related compensation measures.

On 17th June 2019, HIWWT entered into a Grant Agreement with SWS to act as a third party to implement elements of the S.20 commitment. The Grant Agreement defines payment terms to HIWWT for the measures allocated to them to implement. An equivalent agreement was finalised with WRT in April 2021, following a Preliminary Agreement covering commencement of work by WRT in 2020. An equivalent arrangement with the EA is set out in a Collaborative Agreement, finalised in 2019/20, though not signed until 2021. The extended period of negotiation of these agreements did not stop delivery partners from progressing implementation of the respective measures.

A Programme of Measures & Costs (capped) Schedule (PMCS) is understood between SWS and the delivery partners and overall progress monitoring, issue resolution and, potentially, alteration of respective funding allocations between partners or measures is governed by a Steering Group, chaired by SWS and comprising, EA, NE, HIWWT, WRT and SWS.

In 2020 the delivery partners (EA, WRT and HIWWT) and SWS developed a more detailed delivery plan for the implementation of the permanent mitigation and Habitats Regulation compensation commitments that had been set as the required 'measures' in the work packages. The detailed delivery plan was accepted by the Steering Group in December 2020 as the 'working' plan. The delivery plan is currently being updated to reflect any changes to project delivery schemes or timelines and will be available late 2025.

The original commitments are summarised in Table 1 below. An overview (summary table) of progress made is provided in the Appendix and will be updated later this year.

Table 1 s.20 Monitoring, Mitigation and Compensation commitments

Measure	Delivery by	River	Description
Monitoring (in river)	EA	Test, Itchen, Candover	<ul style="list-style-type: none"> Invertebrates; Macrophytes; Fish.
Monitoring	HIWWT	Test, Itchen, Candover	<ul style="list-style-type: none"> Crayfish Southern Damsselfly Water Vole Wetland breeding birds (Lower Itchen SSSI wetlands)
Monitoring	SWS	Test, Itchen, Candover	<ul style="list-style-type: none"> Water quality Eels River Habitat Surveys Surfaces monitoring River Condition Assessment (pre restoration)
Mitigation	EA	Test, Itchen, Candover	<ul style="list-style-type: none"> In-river restoration / chalk stream habitat improvement Fish passage improvement.
Mitigation	HIWWT	Candover Itchen	<ul style="list-style-type: none"> White clawed crayfish resilience improvements Southern Damsselfly habitat improvement
Compensation	HIWWT	Candover Test	<ul style="list-style-type: none"> Support captive breeding of white clawed crayfish. (University of Bristol) Southern Damsselfly habitat extension / improvement
Compensation	WRT	Test Meon	<ul style="list-style-type: none"> Chalk stream habitat improvement Salmonid fish passage improvement
Monitoring	HIWWT WRT EA, SWS	Test Itchen Candover	<ul style="list-style-type: none"> Before and after monitoring of the implementation of mitigation and compensation schemes

2 Implementation

To date Southern Water has paid the three delivery partners all the monies expected under the Agreements. This amounts to approximately 43.82% of the overall s.20 financial commitment.

2.1 Monitoring progress

Monitoring work commenced in summer 2018 and will continue until the end of the agreement.

For the River Test drought permit and drought order, much of the intended environmental monitoring and potential permanent or temporary (within drought permit / order) mitigation work falls within the area of the Lower River Test (below the M27) within the land area owned by Barker Mill Estate (BME), where the fishing rights are leased to Little River Management (LRM). Since the Public Inquiry of March 2018, SWS, BME and LRM have negotiated terms under which annual baseline monitoring and, if agreed, implementation of mitigation measures, may proceed routinely (to an agreed protocol).

From 2019 to present (and ongoing), a series of one-off agreements, and later from 2022 annual agreements, were made to allow Lower Test monitoring work to proceed on a series of 'access days' each year. There were a total of 17 access days in 2023, 30 (of which 2 were for EA bridge repairs) in 2024 and 18 anticipated in 2025. The EA, NE, HIWWT and SWS make use of access on these days to undertake macroinvertebrate, macrophyte, fish and water vole monitoring, habitat walkovers, flow control structure surveys, hydrometric monitoring and water quality sampling.

Water Quality monitoring

Six telemetered water quality monitoring stations were established in the Lower River Test area in 2018 with the network subsequently expanded to a total of 16 stations. These monitors continually measure; Temperature, Conductivity, PH, Turbidity, Dissolved Oxygen, Water Levels and more recently, Ammonia but, data continuity has been affected by some functionality issues and vandalism of equipment.

Commencing in 2020-21 and continuing in 2021 installations were progressed on the Candover stream and on the River Itchen. There is now a total of 10 stations installed, 8 on the main River Itchen, 1 on the Candover Brook and 1 on the Cheriton Stream.

Apem have been contracted to undertake analysis of the water quality data collected and report on findings. This is an ongoing task, and results will be shared periodically throughout AMP8.

Eel monitoring

Entrainment sampling for eels / elvers / lamprey and impingement sampling for all fish was to be commissioned by SWS at its sites of abstraction on the River Test and River Itchen, including Portsmouth Waters (PRTs) abstraction site on the River Itchen. However, SWS and PRT have improved intake screens in line with compliance with Eels Regulations, such that only impingement monitoring was undertaken from 2020 to 2024. No further monitoring is proposed due to best practise screens now in place.

Habitat survey

A specialist habitat survey was undertaken to characterise the current fish habitats of the lower reaches of the River Test, first using remote sensing in 2019 and then validated with on the ground walkovers in 2022. The survey targeted the main stem of the river from Nursling Mill (SU 35200 15800) to the estuary downstream of Testwood Mill (SU 36200 14200) and included a 600 m reach of the River Blackwater upstream of its confluence with the Test. A 1.5 km reach of the Little Test was also surveyed, including the connecting watercourses on Wirehouse Stream (upper and lower).

Equivalent monitoring is required for the River Itchen and Candover Brook. Surveys targeting flow sensitive reaches were undertaken as a collaborative effort between APEM, RSK & Ricardo in 2022. These surveys are designed to be evidence of baseline conditions prior to a drought permit or order.

Salmon Testing

Genetic sampling of chalk stream Salmon from 5 local rivers (Test, Itchen, Meon, Stour and Avon) was commissioned by SWS and undertaken by Exeter University, using genetic samples collected by the Environment Agency. These samples were used to determine hereditary links in population, indicating the genetic diversity of the population. Exeter University provided their report in January 2021, indicating the population was genetically the same across the three Hampshire rivers, though the Meon sample size was low and did exhibit some marginal differences to the Test and Itchen fish. The Dorset Stour fish appeared the most distinct and generally there was distinction between the Hampshire rivers fish and the South West rivers' fish, corroborating previous assessments.

2.2 Mitigation and compensation progress

A Table summarising progress of implementation of the s.20 mitigation and Habitats Regulations compensation is provided in the Appendix to this document.

Overall discussion has continued between SWS and NE (and EA) as to how the compensation implementation will be legally “secured”, to wholly satisfy the requirement of the Habitats Regulations for Natural England agreement. SWS has indicated its belief that in-river works are “secure” with existing legal protections but recognises that on land measures (e.g. Southern Damselfly habitat improvement measures) are not necessarily covered by secure protections, especially in respect of long-term maintenance requirements and SWS is exploring the options identified in the discussions with NE.

Pending finalising an agreed approach to the legal “securing” requirement, all parties have agreed that SWS and delivery partners should pursue implementation of the schemes so that environmental resilience is progressed as intended. To facilitate this, a short-term access agreement template has been provided to delivery partners by SWS and delivery partners are using this as the basis of access agreement negotiation with landowners. This provides the right to inspect and maintain any works up to 31st March 2030. SWS has also provided a “Frequently Asked Questions” note to aid the discussion, aiming to ensure that landowners are aware of the regulatory context and legal framework within which the work is being promoted. If the agreements are reached, they are signed between the landowners and SWS.

2.3 Stakeholder engagement and drought permit and drought order application readiness.

The company has held stakeholder engagement meetings on progress of the Section 20 at approximately six-monthly intervals. These meetings originally took place at the Testwood Lakes Visitor Centre but, the meetings have been virtual since March 2020. The more recent meetings have typically been held such that the first half covers progress of the environmental monitoring, mitigation and compensation commitments of the s.20 agreement and the second half covers progress of the supply reliability recovery programme (‘Water for Life Hampshire’). The first meeting took place on 23rd May 2018 and the most recent meeting was on 22 January 2025.

In respect of ‘application readiness’ for the Drought Permit and Orders, SWS has also:-

- Conducted a River Test drought permit ‘exercise’ application in autumn 2018, including a stakeholder meeting on October 11th.
- Submitted River Test drought permit applications:
 - A draft application was provided to the EA and NE in 2019. This was granted but not implemented.
 - A draft application was provided to the EA and NE in August 2020 but did not need to progress.
 - A draft application was prepared in early September 2021 but did not need to progress.
 - A draft application was provided to the EA and NE in June 2022 but did not need to progress.
 - At the time of updating this document a draft Order is being submitted to Secretary of State July 2025.
- For the Candover Drought Order, access lease negotiation commenced with the EA in 2020 for access to the EA boreholes and existing pipeline. This is still being pursued.
- The Candover Drought Order, Planning Application:
 - was submitted in March 2020 for permission to implement the facilitating pipeline infrastructure of the Candover drought Order scheme.

- Application withdrawn December 2020 to address objections and further information requests.
- Revised Planning Application submitted September 2022.
- Application was withdrawn Nov 2024, so that SWS could consider the appropriate scope and proposed duration for the Candover Drought Order Scheme, alongside the progression of the Water Resource Management Plan (WRMP) 2024 and continued discussions with the EA over lease arrangements for the boreholes, and the content of the s20 Agreement.
- For the Itchen Drought Orders, SWS engaged with Portsmouth Water (PRT) during 2020 to organise Workshops with EA, NE and Consumer Council for Water (CCW), to establish greater understanding of joint issues and approach of SWS and PRTs should any of these Drought Order applications need to be progressed.
 - Two Workshops held in May 2021.
 - Actions undertaken include further review of drought triggers and impacts on Portsmouth Water.
 - Draft internal Drought preparation commenced in 2023 but not implemented.

3 Water for Life Hampshire

Clause 11 of the s.20 Agreement, entered into by the Environment Agency and Southern Water in March 2018, requires Southern Water to use its All Best Endeavours to deliver its long-term water resources scheme for Hampshire.

Southern Water is progressing implementation of the long-term water resource scheme under its Corporate programme - "Water for Life Hampshire" (WfLH) Programme. Current information on the WfLH Programme can be found on our website at: [Water for Life - Hampshire - Southern Water](#)

Since 2019, progress (including funding) of the investigation and development of the long-term water resources scheme within WfLH has been overseen by RAPID (the Regulators' Alliance for Progressing Infrastructure Development) and its 'gated' process.

To date Southern Water has delivered the following submission milestones to RAPID:

- Gate 1 in September 2020 with an Interim Update in September 2021,
- Gate 2 in December 2021 and
- Gate 3 in July 2024.
- Gate 4 is planned for Q1 2026.

At the Interim Update and at Gate 2, Southern Water confirmed that desalination at Fawley, the 'base case' in our Water Resources Management Plan 2019, was the lowest ranking option in a robust options appraisal process that had been undertaken. Therefore, no further work would be undertaken in investigating and delivering this option. This position was subsequently endorsed by both RAPID and the Environment Agency.

At Gate 2 Southern Water confirmed that its highest-ranking option in the options appraisal, and therefore its selected option, was the Hampshire Water Transfer and Water Recycling Project (HWTWRP) which involves a water recycling plant topping up Havant Thicket Reservoir with purified recycled water, and a new pipeline to Otterbourne Water Supply Works (WSW). The scheme has the potential to transfer up to 90MI/d of raw water to Otterbourne WSW in drought conditions. RAPID has endorsed our selected option and has continued to release funding for its continued progression through Gate 3 and into Gate 4.

On 31 May 2022 the Secretary of State directed that the HWTWRP was a project of national significance and therefore must be consented through the Development Consent Order route and the Programme is working toward submission of our application.

4 Over and above the Section 20 commitments

Over and above its commitments in the s20 Agreement, SWS has carried out the following actions:-

4.1 Development of a documented river restoration strategy for the Lower Test (below M27)

Development of documented river restoration strategy for the Lower Test below the M27 crossing, to add to the existing EA strategy for (most of) the area upstream of the M27. The long term strategy development was being led by EA and a workshop was facilitated by the River Restoration Centre in 2022 to capture opportunities from key partners including Barker Mills, LRM, EA, NE, HIWWT, WRT and Southern Water. Since then the ownership of this activity has transferred to Southern Water in 2025 and APEM has been commissioned to support the collaborative development of the long term strategic plan for the Lower Test. The draft approach is being finalised and will be shared with partners imminently. It is anticipated it will identify some agreeable measures that will qualify as suitable mitigation measures relevant to the s.20 scope/long term Test drought mitigation. Any implementation will remain subject to agreement between SWS and the Barker Mil Estate and LRM Fishery.

4.2 Test & Itchen Catchment Partnership data and information sharing platform

Through its support of the Test and Itchen Catchment Partnership, SWS are helping Catchment Hosts at the TICP maintain a s.20 SharePoint site for partners to upload and access various environmental monitoring data sets.

4.3 Additional analysis

Southern Water has commissioned APEM to undertake full analysis of the continuous monitoring data comprising the following **tasks**:

- Monitor real time water quality data streamed directly to specialist consultants;
- quality-check the data (using bespoke, semi-automated, data cleaning algorithms);
- summarise the location, frequency, timing and severity of any ecologically important water quality events;
- undertake a detailed analysis of inter-relationships between parameters and upstream-downstream changes; and
- investigate how abstraction (flow), weather and tidal conditions interact to influence water quality at key locations.

The currently ongoing work is focussing on data collected up to October 2024. The reporting of this detailed analysis once complete, will be reported to the EA and NE for discussion.

4.4 Additional funding/support to TICP

Southern Water has provided additional facilitation funding to the TICP during AMP6 and 7 and have committed to continue this funding throughout AMP8. In addition to this SWS has also committed to funding a project management role within the TICP to coordinate delivery of improvement schemes being delivered collaboratively with the TICP members.

Following the success of the Drought Resilience Fund and the projects that were delivered as a result of that funding, an additional fund was set up in 2024 broadening the scope of projects that could qualify for funding to support Ecological Resilience improvements within the Test and Itchen catchments. SWS have committed to fund the Ecological Resilience Fund for the whole of AMP8.

Appendix

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Scheme	Mit/Comp	Measure	Lead Delivery Partner	Progress to date
Candover	Mitigation	Increasing the resilience of the white-clawed crayfish population in the Upper Itchen tributaries.	HIWWT	Ongoing plans with Wild Trout Trust to develop enhancements to existing population BZS to continue to maintain brood stock at Bristol Zoo Gardens. Brood stock has been moved from Bristol Zoo to Marwell Zoo in Hampshire.
		Significant increase in support to the Watercress & Winterbournes project - Hampshire's Chalk River Headwaters Landscape Partnership Scheme	HIWWT	Funded and completed
		Support to the Test & Itchen Catchment Partnership	HIWWT	Funded up to date
		Increasing the resilience of the Southern damselfly population	HIWWT	HIWWT is developing a plan to undertake this task
Itchen	Mitigation	River restoration to improve chalk stream habitat in the River Itchen downstream of Winchester.	EA	Ongoing – at feasibility stage, delivery due 2026/27
		Increasing the resilience of the Itchen valley Southern damselfly population	HIWWT	HIWWT is developing a plan to undertake this task
		Increasing shading in the River Itchen downstream of the lower boundary of the Watercress & Winterbournes HLF Project - Hampshire's Chalk River Headwaters Landscape Partnership Scheme.	HIWWT	Ongoing development of planting strategy
		Support to the Test & Itchen Catchment Partnership	HIWWT	Funded to date
Test	Mitigation	Significant increase in support to the Watercress & Winterbournes project - Hampshire's Chalk River Headwaters Landscape Partnership Scheme.	HIWWT	Funded and completed
		River restoration to improve chalk stream habitat in the River Test	EA	Ongoing – at feasibility stage, delivery due 2026/27
		River restoration in the Test to improve conditions for the fish community.	EA	Ongoing – at feasibility stage, delivery due 2026/27
		Increasing shading in the River Test downstream of the lower boundary of the Watercress & Winterbournes HLF Project - Hampshire's Chalk River Headwaters Landscape Partnership Scheme – to the boundary of the M27.	HIWWT	Ongoing development of planting strategy
		Significant increase in support to the Watercress & Winterbournes Project - Hampshire's Chalk River Headwaters Landscape Partnership Scheme	HIWWT	Funded and completed
		Support to the Test & Itchen Catchment Partnership (TICP)	HIWWT	Funded to date

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Candover	Compensation	H3260 Water courses of plain to montane levels with the Ranuncion fluitantis and Callitricho- Batrachion vegetation (Chalk stream Habitat)	WRT	<p>Completed in 2021:</p> <ul style="list-style-type: none"> Saw Mill / Apsley Estate (river restoration) Kimbridge Estate Dun (weir removal and river restoration) Dunnerley Cottage (river restoration) <p>Completed in 2022:</p> <ul style="list-style-type: none"> Bourne Lower Wyke Farm (river restoration) Dever Bullington (river restoration) Dun Dunnerly bed raising (river restoration) Dun Lockerley Water House (river restoration) <p>Completed in 2023:</p> <ul style="list-style-type: none"> Dever Sutton Scotney Mill (weir removal and river restoration) Bourne Island Cottage (river restoration) <p>Completed in 2024:</p> <ul style="list-style-type: none"> Dun Natwest (river restoration) <p>Planned for 2025:</p> <ul style="list-style-type: none"> Dever Sutton Scotney Side Carrier (river restoration) Bourne Rivulet St Mary Bourne (river restoration) Dever Barton Stacey (river restoration)
		S1092 white-clawed crayfish <i>Austroptamobius pallipes</i>	HIWWT	BZS to continue to maintain brood stock at Bristol Zoo Gardens.
		S1044 Southern damselfly <i>Coenagrion mercuriale</i>	HIWWT	Concept designs produced by Atkins in 2022, these are subject to review by EA and other parties.
Itchen	Compensation	H3260 Water courses of plain to montane levels with the Ranuncion fluitantis and Callitricho-Batrachion vegetation (Chalk stream Habitat)	WRT	<p>Completed in 2021</p> <ul style="list-style-type: none"> Wherwell Priory (weir removal and river restoration) Chilbolton Fishery (river restoration) The Watch Fishery (river restoration) Houghton Club (river restoration) Kimbridge Estate Test (river restoration) Leckford Estate (river restoration) <p>Completed in 2022:</p> <ul style="list-style-type: none"> Test Test-Fields/Compton (river restoration) Test Houghton Club Bossington Mill (river restoration) Test Fullerton (river restoration) Test Houghton Lodge (river restoration) <p>Completed in 2023:</p> <ul style="list-style-type: none"> Test Mottisfont Oakley (river restoration) Test Compton (river restoration) Test Wherwell Garden 1 (river restoration) <p>Completed in 2024:</p> <ul style="list-style-type: none"> Test Mottisfont Rectory (river restoration) Meon Fontley House Farm (river restoration) Wherwell Park Beat (river restoration) <p>Completed in 2025:</p>

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				<ul style="list-style-type: none"> • Test Wherwell Garden 2 (river restoration) Planned 2025 <ul style="list-style-type: none"> • Test Mottisfont/Kimbridge Main (river restoration) • Test The Watch Carriers (river restoration) • Test Chilbolton Common
		S1106 Atlantic salmon <i>Salmo Salar</i>	WRT	Completed in 2022 <ul style="list-style-type: none"> • Chesapeake Mill (fish passage)
		S1044 Southern damselfly <i>Coenagrion mercuriale</i>	HIWWT	As above (Candover)