

Southern Water: Isle of Wight update

20 February 2025



from
**Southern
Water** 

Agenda

- Welcome – George Eykyn
- Company update – George Eykyn
- Wastewater Asset Strategy, Planning and Future Growth – Chris Braham, Aaron Plange and Ryan Lownds
- Sandown Water Recycling Consultation – Sam Underwood
- FOG and Unflushables – Working with our communities to prevent blockages – Matt Collins
- Clean Rivers and Seas Task Force – Laura Moran
- Closing words



Company update

George Eykyn, Director of Corporate Affairs



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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 to March 2030.
- Ofwat sets out how much water companies can invest in their networks over the next five years – and how they should set customer bills to support that activity.
- More than **25,000 customers** spent over **8,000 hours** telling us what they think, as part of Business Plan engagement.
- After very careful consideration, we have decided to appeal the Final Determination to the Competition and Markets Authority (CMA). The Final Determination would not enable us to deliver the environmental and performance improvements and new infrastructure that our customers and communities expect.



The appeal process

- The next formal step in the process is submission of our statement of case to the CMA.
- In addition, to continue advancing in the improvements needed, we've also announced our intention to raise £900 million of new equity with our shareholders. This *isn't* conditional upon the CMA process.
- This money will allow us to continue with planned investments in new infrastructure and performance improvements, maintaining the urgency and pace of change, while supporting our operations and delivery of the Turnaround Plan.
- Our CMA appeal will not affect customer bills for 2025-26, nor the activity planned for the coming year.



Our Business Plan – 2025 to 2030

INVESTMENT

- Since privatisation, £1.6bn of equity has been invested by Southern Water's shareholders.
- Over that period, £400m more has been injected into the business than has been paid out as a return to investors.
- We've not paid any external dividends to shareholders for 8 years and there are no planned dividends in 2025-30.
- In the last two financial years we made operating losses of £18m and £72m – the consequence of our decision to invest beyond what Ofwat stipulated.



Proposed bill increases

- We're very conscious that a rise in bills isn't easy for our customers. But it is essential in delivering the improved performance and infrastructure that is required.
- We absolutely understand concerns about bill rises, especially during a cost-of-living crisis, but improvements are needed.
- We have been keeping bills low – the average water and wastewater bill for 2024 was £439. In 2014 it was £437.
- That's an increase of 0.5% in 10 years. At the same time inflation has gone up 33%, increasing the cost of everyday items.



Supporting our customers



- We're offering more help for customers than ever before with a £235 million support package for those in the most vulnerable of circumstances.
- We're doubling the funding for our Social tariff, which includes a minimum of 45% off for those that who may struggle to pay their bills (over 120,000 households now and rising to 182,000 by 2030).
- We plan to increase our Hardship Fund to £1.25m and increase our Priority Services Register to 20% of our customer base (currently 8%).

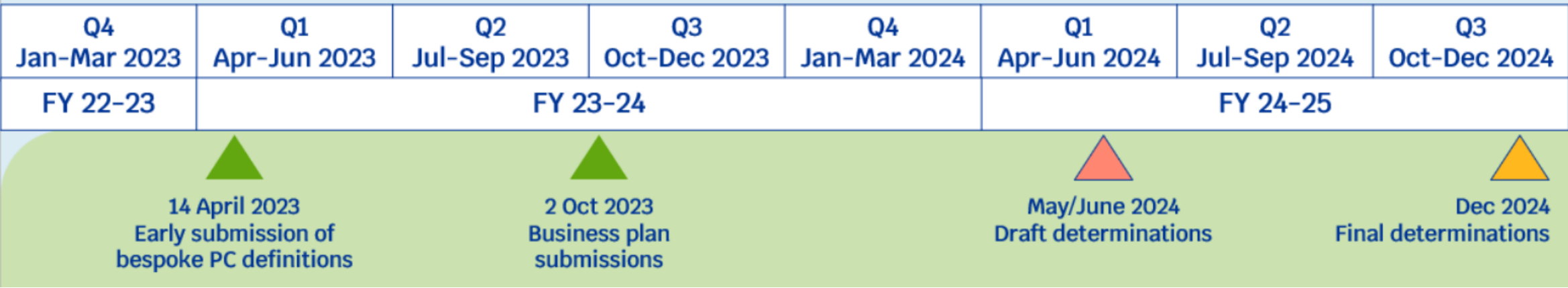
Providing resilient Wastewater Services on the Isle of Wight

An overview of the planning process and plans for investment over the next 5 years on the Isle of Wight



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Water Industry Regulatory Investment Cycles



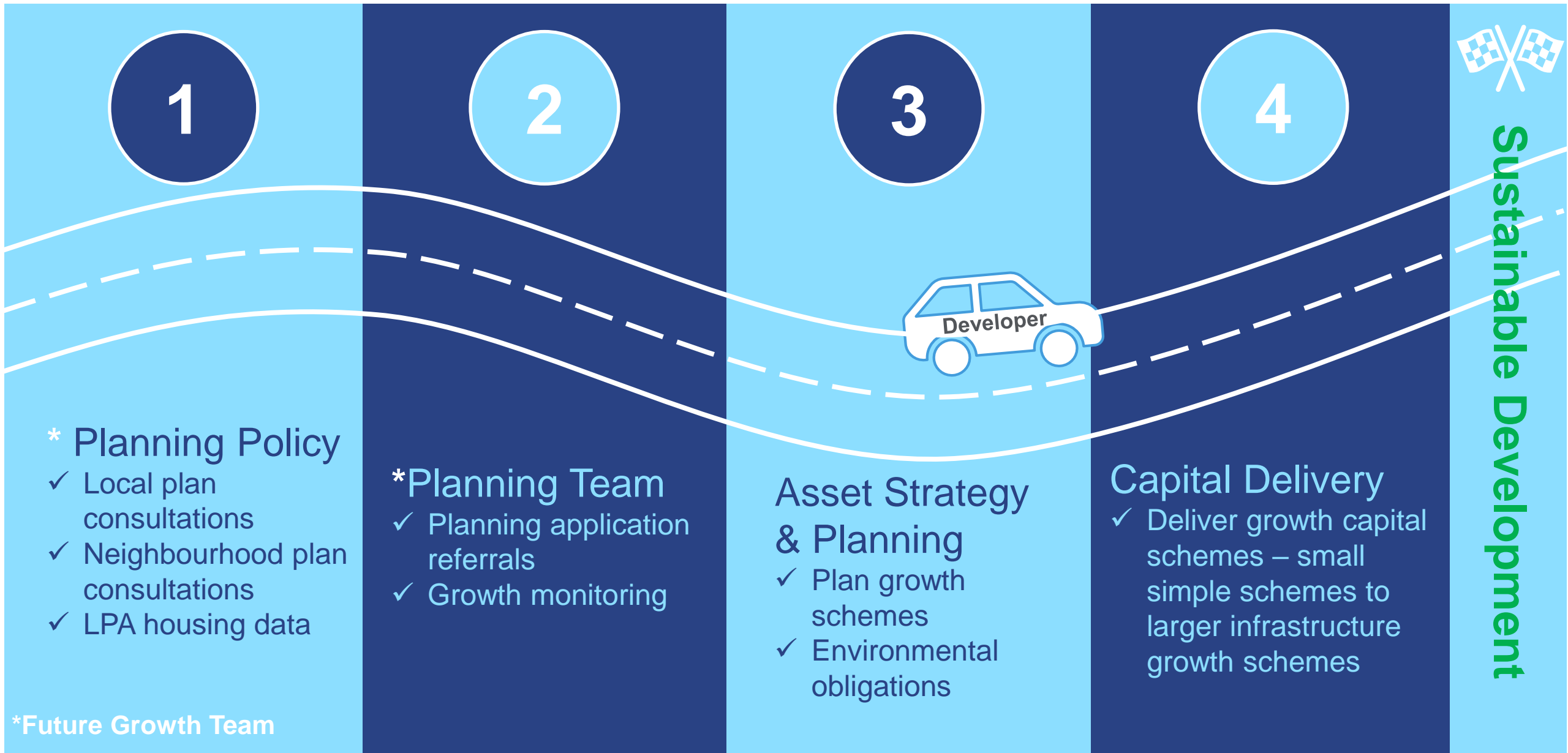
- Ofwat’s 5 year cycle Price Review (PR) process sets allowances for water company investment for each Asset Management Plan (AMP) period
- Ofwat’s Final Determination was announced for AMP8 (2025-2030) in December 2024
- Includes the Environment Agency’s Water Industry National Environment Programme (WINEP) – our investment to protect and enhance the environment (e.g. storm overflows)
- Drainage & Wastewater Management Plan (DWMP) sets out our long-term investment needs – now statutory plan with 5 year cycle to inform Price Reviews



Our Drainage and Wastewater Management Plan (DWMP) looks at the investment needs over the next 25 years to provide safe, resilient wastewater services to customers and protect the environment



Future Growth – Journey to sustainable development



Growth: Assessing the need for investment in wastewater services to support and enable new development

Developer Services experience on average **470** local planning referrals per month

We have reviewed **70** wastewater catchments with specific growth needs resulting in reinforcement requirements across **19** of those catchments

Development planning and phasing

Network capacity assessment

Network modelling and flow surveys

Upgrade options, costs and programming

Scheme design

Delivery and handover

“Over 5000 planning referrals per annum”

Prioritisation of catchments requiring network reinforcement include:

- Development size and expected build out.
- Developments impact on existing issues
- Spread of growth and potential 'Hot Spots'
- Working with Councils and Developers to understand when large strategic developments will start

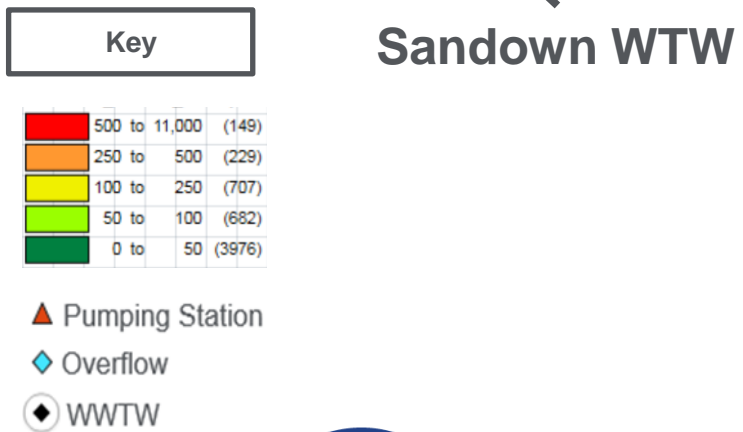
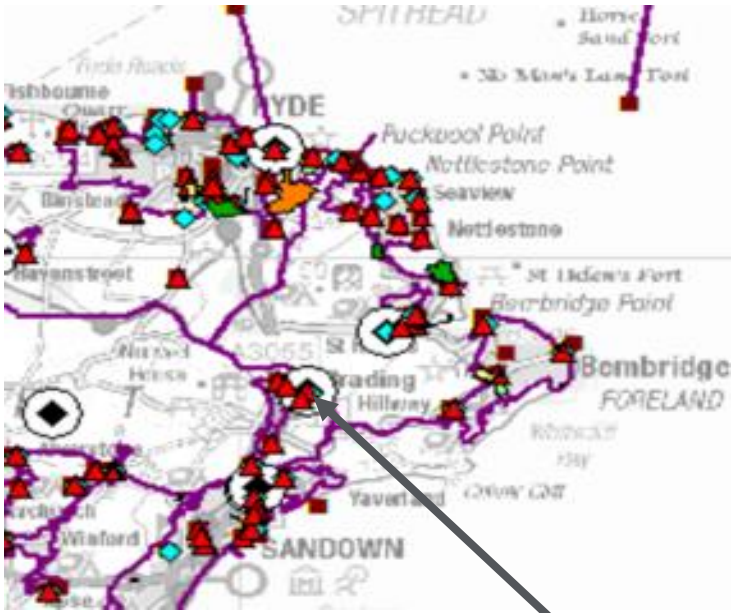
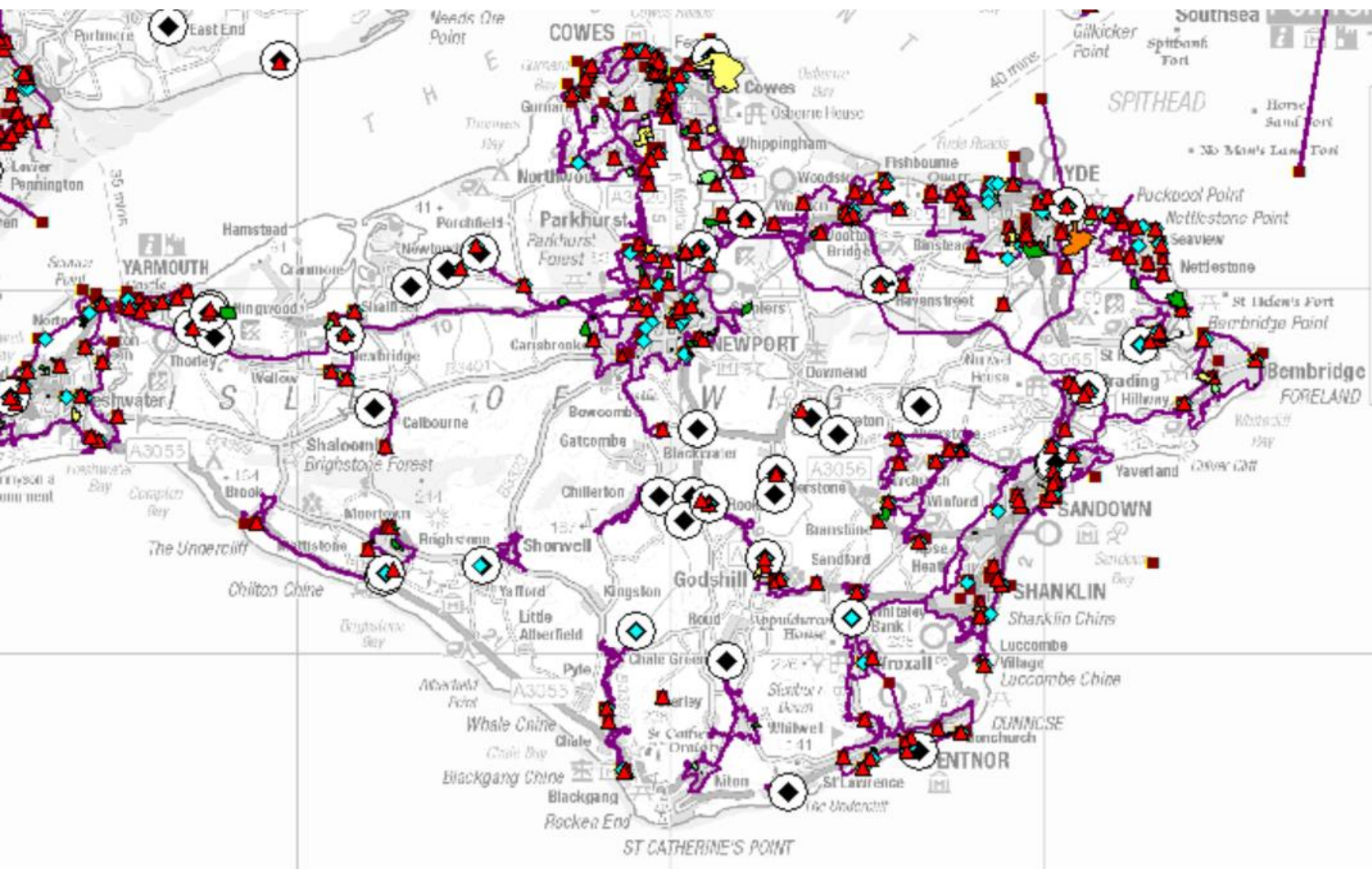
Approach (based on growth clusters):

- Surface water removal
- Increased storage in the system
- Upsizing sewers
- Removing surface water connections



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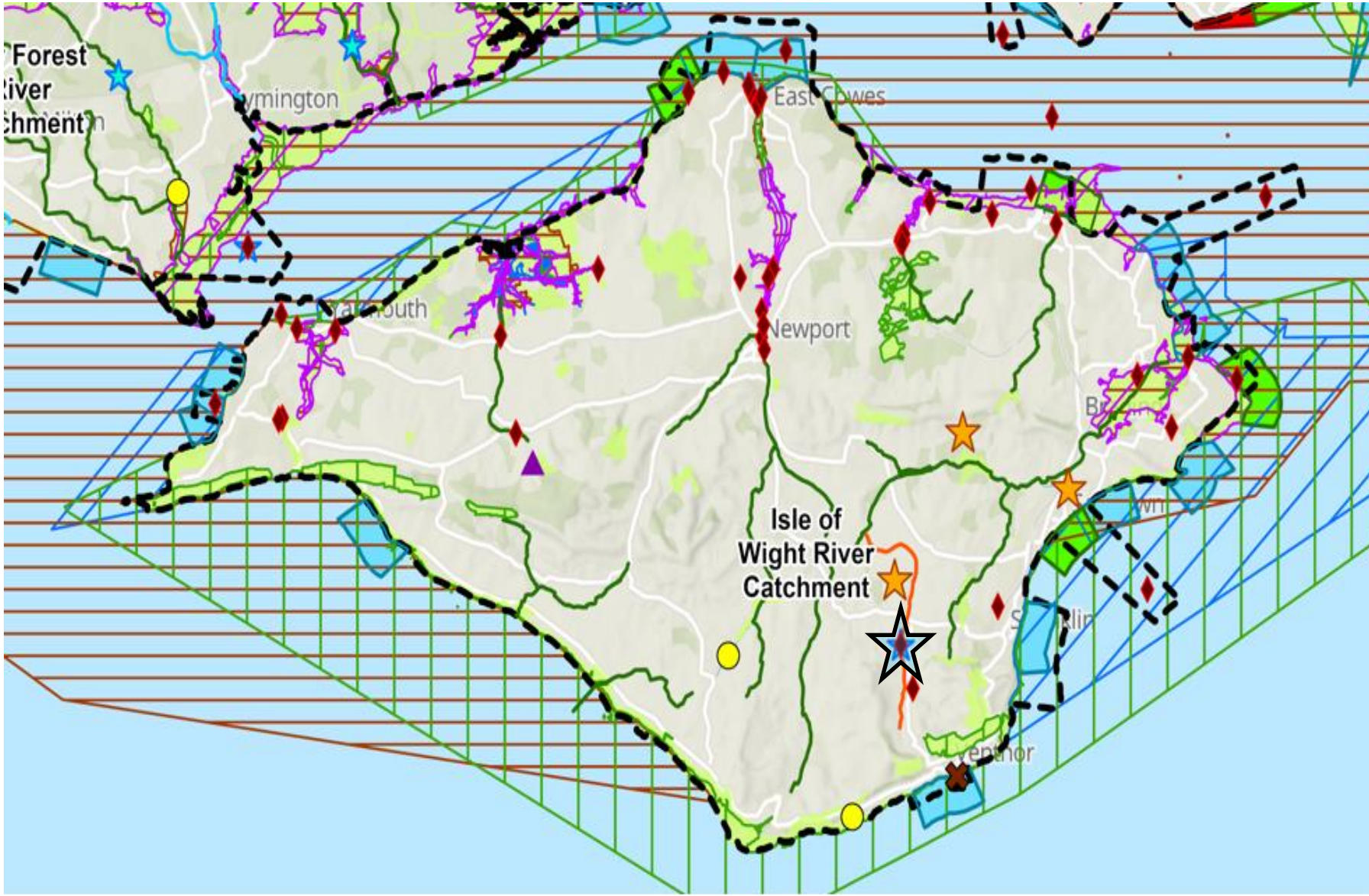
Future/Planned growth in the Sandown catchment



Sandown WTW



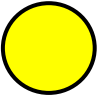
Investment plan: 2025-30 (AMP 8) to support the Isle of Wight Growth



Growth:

- 2 growth schemes at treatment works in the Isle of Wight are planned

- Chale WTW
- Willow Wood St Lawrence WTW



Storm Overflows:

48 schemes are planned within AMP8



Water Supply:

3 schemes are planned

- Godshill
- Newchurch LGS
- Sandown



Nutrient Reduction

1 scheme is planned in Wroxhall



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Sandown Water Recycling Consultation



Water Recycling – a new source of water for the future

- Reducing leakage and improving water efficiency are important priorities for us but we need to look at other ways of using water wisely.
- Water recycling creates a new source using water we currently waste.
- Water recycling plants use advanced treatment techniques to turn treated wastewater into purified recycled water.
- Purified recycled water can be stored in rivers or reservoirs and used for public supplies – following treatment to strict UK drinking water standards enforced by the Drinking Water Inspectorate.
- We're currently developing four water recycling plants across our region, as part of our current Water Resources Management Plan.
- Together these four water recycling plants would be capable of producing 97.5 million litres of water a day.
- That means we can leave almost 100 million litres more water in the environment during a drought – when nature needs it most.



Our Water Recycling Plant plans at Sandown

- The plant would be built on land next to our Sandown Wastewater Treatment Works.
- It would use advanced treatment processes to turn wastewater into purified recycled water.
- The purified recycled water would be pumped into the Eastern River Yar to mix with the river water.
- This would allow more water to be taken from the river further downstream.
- Water taken from the river would be treated to drinking water standards at our Sandown Water Supply Works before being supplied to customers.
- The reject stream from the process would be released to sea via the existing 3km long sea outfall.
- The water recycling plant would be capable of producing up to 8.5 million litres of purified recycled water a day to support water supplies across the Island.
- We're in ongoing discussions with our regulators as the plans continue to be developed.



Public consultation and next steps

Our public consultation began in January 2025 and will close on 9 March

- Information literature (online and printed – available from local library).
- Survey, online and printed (63 responses to-date).
- Three public drop-in sessions (attended by 137 people).

Publicity

- Early engagement sessions held in January with stakeholders, regulators, IWC Councillors, town / parish / community councillors and local interest groups.
- Almost 5,000 letters sent to customers in / around the project area.
- Press release issued to local media.
- Facebook advertising to promote consultation and drop-in events.

Next steps

- We expect to submit our planning application in Q2 this year.
- Planning permission pending, construction could start later this year, with the plant operational by 2030.



Find out more at:
[Isle of Wight Water Recycling Project](#)





Fat, Oil, Grease & Unflushables

Working with our communities to prevent blockages



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Background

We were clearing over **23,000** blockages a year

66% of blockages are preventable

Over **6,000** tons of wet wipes and unflushables were removed over **8 months**

In the UK each year, more than **3,000** homes are flooded due to sewer misuse

Our Activities

- Door knocking
- Manhole cover lift
- Presentations – High to Low level – Schools, WI Groups, Parish Councils
- Events
- Monthly Targeted Hotspot Campaigns (THC)
- Tour Guides for Peacehaven WTW

Work Streams

Historical Postcodes – proactive approach

Reactive Jobs – reacting to a recent sewer issue

The FOG and Unflushables team

2016–24



190,000

face-to-face
conversations
with customers



25,700

Manholes
surveyed



1149

Full or partial
blockages
found



650

Blockages
cleared
ourselves



131

internal
floodings
prevented



71

external
floodings
prevented
(2020-24)



580

Presentations
delivered



141

Public events
attended



Created two
**customer
education
films**



Developed an
educational
**augmented
reality game**



Co-organised the
2021 and 2022
**European FOG
Summit**



Committed
data led
**behaviour
change
campaigns**



2,900
food
businesses
supported



40
national and
international food
chains engaged



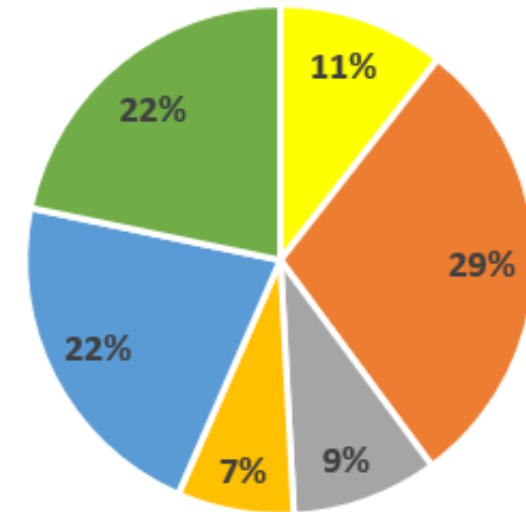
**Influenced
and led**
the UK grease
management
industry

FOG and Unflushable blockages – Isle of Wight 2024

- 426 **preventable blockages** in 2024
- 113 of these blockages caused by Fat, Oil and Grease
- 313 of these blockages caused by wipes and sanitary products

- **Hotspot areas**

- Ryde = 76
- Newport = 53
- Sandown = 41
- Cowes = 38



■ Fat, Oil & Grease

■ Silt

■ Other

■ Wipes & Sanitary Products

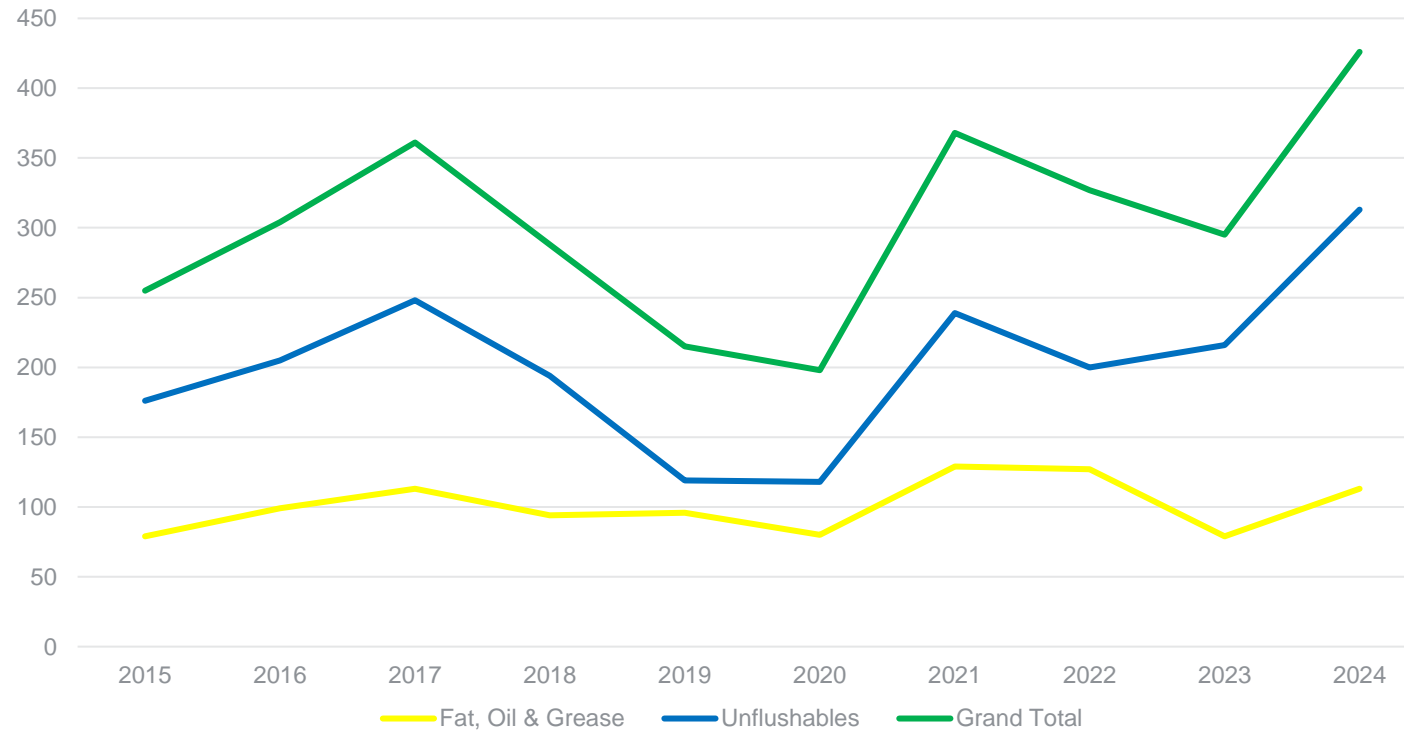
■ Roots

■ Mixture of FOG & Unflushables



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FOG & Unflushables Blockage Data: Isle of Wight – 2015 to 2024



FOG & Unflushable Team Activity on the IoW

- 10 presentations to schools, uniformed groups & Adult talks
- Two local community events attended
- If you would like us to attend one of your groups to deliver a presentation or attend an event you may, get in touch:

Fog&flushables@southernwater.co.uk





How can we all help?

- Pour excess fat into a container and dispose of it in the bin - not down the sink.
- Mop up excess FOG from pans and plates with kitchen roll.
- Use a sink strainer to prevent food being washed down the sink.
- Only flush the three Ps (pee, poo and paper)



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Clean Rivers and Seas Task Force

Isle of Wight update



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Isle of Wight update

- Two-year Pathfinder programme overview
- County Hall Tree Pits
- Gurnard Highways schemes
- Flooding and stormwater collaboration



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IOW Pathfinder Programme

Gurnard	Optimisation	New pumps & unlocked storage at Woodvale New PLC and pumping pattern at Marsh Road
	Misconnections	Surface water line infiltrating combined sewer at Lower Church Road
	Water butts & planters	Multiple wb's installed on domestic properties & planters on businesses
	Highways	4 x roads (woodvale road, worsley road, albert road and solent view road) 17 permeable paving sections, 39 rain gardens 3 attenuation tanks
Fishbourne & Wootton	Optimisation	New Road: new pumps to pump more/New flap valve at Rosanna
	Misconnections	Wine Warehouse: surface to foul connection
	Water butts & planters	Multiple wb's installed on domestic properties & planters on businesses
Cowes (West & East)	Optimisation	New tidal flap valve at Market Hill, chamber redesign at Terminus Road, small amount of lining along seafront to prevent tidal ingress
	Misconnections	A few linked with Highways scheme in Baring Road
	Water butts & planters	Multiple wb's installed on domestic properties & planters on businesses
West Wight	Optimisation	Smart catchment trial at Madeira Road
	Misconnections	TBC
	Water butts & planters	Multiple wb's installed on domestic properties & planters on businesses
Newport	Optimisation	Use of disused aeration ditches as storage
	Highways	County Hall tree pits & HAZ scheme (Ryde too!)

	2023	2024	Saving
APPLEY PARK WPS	141	60	81
EGYPT POINT COWES CEO	76	61	15
ALBANY ROAD EAST COWES	23	11	12
FISHBOURNE LANE FISHBOURNE	38	33	5
NEW ROAD WOOTTON	58	45	13
PRICHETTS WAY ROOKLEY	59	18	41
TERMINUS ROAD COWES	76	3	73
FAIRLEE NEWPORT	117	99	18
KITE HILL WOOTTON	57	33	24
MAIN ROAD HAVENSTREET	42	22	20
MARSH ROAD GURNARD	37	29	8
NORTON TRANSFER IOW INLET	42	8	34
			344



County Hall Tree Pits



This is how they will look...

4 x tree pits

Will have a meaningful impact
on rainwater runoff in the area

Replacing old trees

Gurnard Highways Schemes



Woodvale Road

Worsley Road

Solent View Road

Albert Road

Flooding and Stormwater collaboration

- IOW Council flooding officer – biweekly meetings
- Misconnections (SW sewers)
- S19 Flooding applications
- Planning applications
- Surface water management plan



Share your thoughts



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You can vote
at [Slido.com](https://www.slido.com) with the code

#3605824



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Appendix



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Community Centre Grants



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Community Centre Grants – Isle of Wight

- As part of our programme to support making the community stronger, our Community Centre Grant is back for a third year.
- This year we provided over 30 grants of £1,000 each and four were awarded on the Isle of Wight.
- These grants have directly alleviated the burden of rising energy and operational costs, ensuring that vital services continue to be accessible to the local community.

Isle of Wight winners:

- The Methodist Church, Garfield Road
- Aspire Ryde
- Memorial Hall Arts and Leisure Company
- St Helens Community Centre



Isle of Wight – February 2025

Water – operational update



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Leakage on the Isle of Wight

Total leak repairs 2022/23

	IoW
Bursts	219
Customer leaks	94
Network leaks	1,697
Total	2,010

Total leak repairs 2023/24

	IoW
Bursts	161
Customer leaks	232
Network leaks	1,568
Total	1,961

Total leak repairs Apr '24 to date

	IoW
Bursts	104
Customer leaks	214
Network leaks	1302
Total	1,620

Our water network on the island

- Leakage is currently 5.10 ML/d. This is 0.1mld over target and puts us in a great position as we head into Spring.
- We had two large burst before Christmas on the 300mm Main on the outskirts of Northwood. Repair was completed with minimal customer impact. Unfortunately, this did impact Love Lane Primary School, but this was due to an internal plumbing issue once the supply was restored.
- We've successfully delivered three pressure management schemes on the island. This work has proactively help reduce high pressures in the network and help us achieve that below 5ML/d leakage target.



Water Resource and Production

- Planned works and improvements are moving at pace at the start of 2025
- Knighton WSW – The replacement and commissioning of the Rapid Gravity Filters has now been completed, which is providing an additional two megalitres of water from site.
- Works at Chillerton WSW continues with the improvements the chlorine Gas system and the commissioning of the new Amazon filters. This will allow the site to treat and disinfect water, what has historically been unreliable in the winter after heavy rainfall.
- Carisbrooke WSW – Cleaning of our contact tank starts in March. A newly installed pressurised bypass has been installed to allow the tank to be removed from service without impacting customers' water supply.



Providing Resilient Wastewater Services in the Isle of Wight

Appendix



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Future Growth working with Planning Authorities

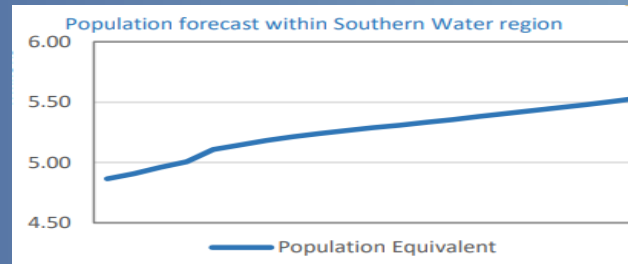
Long term (beyond 10 years) Sustainable Development

- Drawing shared information into longer-term views of growth
- Reflecting on and developing our collaborative working to find more sustainable solutions approaches, less dependent on infrastructure and adding natural capital value
- Place Making and incentivising sustainable options



Medium Term (5 to 10 years) Local Planning Policy

- Assessing the impact of Local Plan proposals
- Feeding constraints back to our planning colleagues
- Providing input to local plans
- Feeding LPA growth data into our 5-year investment cycles (eg DWMP the outcomes of which inform investment proposals in 5-year business plans)



Short term (2 to 5 years) Planning Consultations

- Assessing the impact of planning applications on the Southern Water network
- Identifying where local reinforcement may be required
- Tracking developments and their build out rates, working with developers to closely align.



*See Appendix 1 as required for 'Using the planning process to support upgrades to our infrastructure'