



Member of Parliament for Fareham and Waterlooville
HOUSE OF COMMONS

RAPID and Environmental Planning, Ofwat

16th January 2025

Dear Ofwat,

Re: Strategic regional water resource solutions: gate three draft decision for Hampshire Water Transfer and Water Recycling Project

I object to the continued funding of the Southern Water Hampshire Water Transfer & Water Recycling Project (HWTWR) on the following grounds:

- A. Southern Water is not progressing in a satisfactory manner.**
- B. Costs incurred are insufficient.**
- C. Solutions do not merit continued investigation.**
- D. Substantial practical and financial issues adversely affect the constructability and viability of the solution.**
- E. Substantial planning and environmental issues severely compromise the progression and cost of the project.**
- F. Obstacles substantially impact the deliverability of the solution, and it cannot proceed within the solution's proposed timescale.**

I will expand on these concerns in further detail on the next pages.



A) Southern Water is not progressing in a satisfactory manner:

- SW's draft Water Resources Management Plan 2024 was rejected in 2023, with regulators and Defra asking for other options to be properly assessed. The redrafted plan still does not provide a robust appraisal of alternative options.
- SW has consistently failed to meet the RAPID requirements for high standards in relation to the Gate 2 & 3 submissions. In fact, they have barely achieved a satisfactory assessment with multiple actions still outstanding, despite Ofwat providing the necessary funding.
- Engagement with customers on these plans has been very poor: SW must immediately undertake more appropriate and meaningful engagement with all customers that will be impacted by the proposed change in water source, including those of Portsmouth Water, in a way that would allow for the direction of water resource planning to change if there is not widespread public support for effluent recycling.

B) Costs incurred are insufficient:

- The costs of the scheme have spiralled since the initial decision to select the Hampshire effluent recycling scheme; as a result, there needs to be a robust review of whether this remains the best value solution.
- There has been a fundamental increase in both the construction and operational costs due to scope change and more clarity on risks since Gate 2 and from when the scheme was first selected as a best value option.
- The project does not represent the best value; costs have spiralled from about £500 million at Gate 2 to £1.2-1.4 billion at Gate 3. Costs will continue to rise as mitigation costs for high-risk items are not yet included in the Gate 3 costs.
- Despite the scheme being selected as a drought resource, it is now clear that it will need to operate all of the time, causing inefficient running costs.
- SW has confirmed the cost estimates remain at an early level of maturity, so we may see the costs rise even further.

C) Solutions do not merit continued investigation:

- This project does not need to be in the accelerated gated process as it is not required until 2040.
- Other solutions merit further investigation, or at least a twin-track approach, to ensure that the cheapest, most sustainable solutions are developed first.
- Customers do not wish to drink effluent recycled water: SW have not considered societal impacts nor the environmental cost of rejection of tap water and customers turning to bottled water, especially as SW acknowledge the water will taste different.
- SW has indicated that they do not plan to undertake this customer acceptability engagement until 2033/34, when construction of the effluent recycling scheme is almost complete, and it will be too late for customer feedback to make a difference and inform decisions.
- The lack of engagement with those who will receive the recycled effluent was flagged as a key concern in 2022; why have SW been allowed to waste another 2 years?
- How can Ofwat continue to allow SW to prevaricate and progress the scheme without robust engagement with all SW & PW customers who may receive the new source of water?



D) Substantial practical and financial issues adversely affect the constructability and viability of the solution:

- It is highly unlikely the project will be delivered in the stipulated timeframe. Given the complexity and risks associated with the project, delay to the 2034 delivery date is inevitable, especially as this will be the first time this treatment technology has been used in the UK, so regulators will quite rightly take a precautionary approach to consenting.
- This project doesn't represent the best value for money when considering the spiralling costs.
- This project leaves no lasting legacy once it reaches its lifespan in 60 years. The latest submission suggests that customers will be paying for it for 80 years. This impact of this will be accelerated by the inevitable increase in the project's cost.

E) Substantial planning and environmental issues severely compromise the progression and cost of the project.

- The site selection assessment for the project is flawed and not robust.
- Building on the contaminated landfill is too high risk and will cause further cost increases. This also causes a significant risk to the SSSI Langstone Harbour.
- Seasonally fluctuating water levels will not be maintained in the reservoir to optimise the biodiversity benefit.
- Effluent recycling trial plant results revealed that the trial plant was not able to consistently operate to remove larger contaminants such as bacteria and total dissolved solids that should have been readily removed by the treatment processes. This highlights a significant risk to water quality.
- There is a significant risk of pollution of the Havant Thicket Reservoir. Given SW's very poor track record on treatment work failures, pollution of the reservoir will be inevitable, and once in the reservoir there is no way of removing it, creating a significant risk to the ecology of the reservoir and biodiversity net gain.

F) Obstacles substantially impact the deliverability of the solution, and it cannot proceed within the solution's proposed timescale.

- Combining the points above, it is inevitable that this project faces unavoidable obstacles that will affect the deliverability of the solution. This project fails to produce robust alternative solutions; costs are spiralling; it's not the best value for money; there is no evident reason to accelerate funding yet; customers don't want to drink recycled water, and the impact of this has yet to be factored in; customers have not been properly consulted; cautionary regulators will likely delay the delivery of this project; environmental impacts have not been costed; the solution will be detrimental for our environment.

Ofwat must listen to the community and understand this project must not receive further funding until key obstacles in the proposals are addressed. We require a solution that protects the environment and customers by prioritising more sustainable and cheaper solutions.

Yours sincerely,

Rt Hon Suella Braverman KC MP

Member of Parliament for Fareham & Waterlooville