

From: Ingrid Strawson [REDACTED]
Sent: Thursday, January 5, 2023 7:51:59 PM
To: Kate Kendall [REDACTED]
Subject: Response to the HTR Cost Adjustment : Draft Decision

Dear Kate

As the independent chair of the Stakeholder group for the Havant Thicket Reservoir I am pleased to see that OFWAT are revising their cost estimates for this important infrastructure project which will provide much needed additional water supplies in the South East of England. From the Stakeholder meetings we have had over the last few years there is certainly a lot of support for the project from the local community.

I would like to ask for your assurance that the environmental protections and benefits, together with the benefits to the local community will continue to be fully delivered within the scope of the proposed Cost Adjustment and that the efficiency challenges which OFWAT is imposing on Portsmouth Water will not lead to cuts to the environmental programmes or the recreational and educational programmes which will be largely delivered through the proposed visitors centre.

Specifically, in the section titled '**Our approach to assessing Portsmouth Water's application**'

Ofwat state that:

"We have assessed Portsmouth Water's application in accordance with our statutory duties and the strategic policy statement of the UK Government. Our statutory duties³ require us (in summary) to set price controls in the manner we consider is best calculated to:

- *further the consumer objective to protect the interests of existing and future consumers, wherever appropriate by promoting effective competition;*
- *secure that water companies properly carry out their functions;*
- *secure that the companies are able (in particular, by securing reasonable returns on their capital) to finance the proper carrying out of those functions; and*
- *further the resilience objective to secure the long-term resilience of companies' systems and to secure that they take steps to enable them, in the long term, to meet the need for water supplies and wastewater services.*

Subject to those duties, we also have duties to (among other things) promote economy and efficiency and contribute to the achievement of sustainable development."

Whilst recognising that this is a summary of your approach, I am surprised that there is no reference to ensuring that the project meets the requirements laid out in the planning applications approved by both Havant Borough Council and East Hants District Council. There has been considerable stakeholder engagement by Portsmouth Water throughout the planning process which has been well received and set expectations for local environmental groups and the local community on:

1. the environmental benefits which will be realised by the project
2. the recreational and educational potential for local residents which will be realised by the provision of a high quality Visitors Centre, the provision of footpaths, cycling routes and bridle ways and the development of the wetlands as a local nature reserve.

3. the contribution to the local economy

I note that the above are very much in line with the following OFWAT ambitions for PR 24:

- *Delivering greater environmental and social value*
- *Reflecting a clearer understanding of customers and communities*
- *Focusing on the long-term*

I therefore trust that the revised costings for the project will enable Portsmouth Water to deliver on the plans submitted and approved by the local councils which will benefit the local community in addition to providing the much needed additional water supplies.

Please can you confirm that the full scope of the project has been taken into account in The Havant Thicket - Cost Adjustment: Draft Decision.

Many thanks

Kind regards

Ingrid

Ingrid Strawson
Independent Chair
Havant Thicket Reservoir Stakeholder Groups
Portsmouth Water

