



ANNEX D1.1

Stakeholder Engagement Report

This document has been written in line with the requirements of the RAPID gate two guidance and to comply with the regulatory process pursuant to Severn Trent Water's statutory duties. The information presented relates to material or data which is still in the course of completion. Should the solution presented in this document be taken forward, Severn Trent Water will be subject to the statutory duties pursuant to the necessary consenting process, including environmental assessment and consultation as required. This document should be read with those duties in mind.

Sources Strategic Resource Option

RAPID Gate 2 Submission

Supporting Non-Technical Annex D : Customer and Stakeholder
Engagement

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1. Introduction

1.1 This document is the annex to Section 9 of the Severn Trent Water Gate 2 submission for the Sources Strategic Resource Option (SRO). It provides more detailed information on the engagement with customers and stakeholders up to Gate 2 to inform the design for this SRO.

1.2 From statutory consultees and specialist interest groups to local communities and businesses, we need to effectively engage with groups and people who have an interest in the SRO and could be impacted by the scheme. Our stakeholder engagement programme combines two strands of activity - engagement via the water resources planning process as well as engagement on specific scheme issues.

1.2 The contents of this annex include:

- an overview of the engagement activity
- the main points of feedback from stakeholders and customers and how they have been considered in the ongoing programme of work and development of the solution and
- the next steps towards Gate 3.

2. A summary of engagement since Gate 1

2.1 We developed our approach to engagement in line with RAPID's guidance for Gate 2. In Gate 1 we outlined a three tier approach to stakeholder engagement. In Gate 1 the primary focus was on Tier 1 stakeholders, we wanted to understand key areas of concern, progress technical investigations to help inform views and concentrate on issues which could prevent or substantially change development of the scheme.

A summary of engagement is detailed in Table 1.

Table 1 A Summary of engagement since Gate 1

Organisation	Engagement
Natural England	An introductory meeting has been held to identify key areas of interest, and NE is now invited to regular NAU meetings.
National Appraisal Unit (NAU)	Regular update sessions are held with our NAU rep. These meetings have proved very successful and already elicited lots of useful information and

	comments to support our assessments.
DWI	An introductory meeting has been held with the DWI to discuss scheme options and quarterly updates have been scheduled to share plans for water quality monitoring.
Regulators' Alliance for Progressing Infrastructure Development (RAPID)	We are in regular contact with RAPID as we progress through the gated process. In May 2022, the RAPID team visited the Netheridge WwTW and one of the proposed discharge sites at Haw Bridge to gain a better understanding of the area's topography and potential constraints of this SRO.
Historic England	An introductory meeting has been held which will be followed up with local inspectors to identify any key assets at this stage.
Customer Challenge Groups / Consumer Council Water	Following discussion with STT and RAPID during Q1 2022 the ACWG treated water methodology will be completed within STT for this SRO. Water sampling is in-progress with STT that includes sampling the Netheridge discharge and potential discharge locations to support this.
Royal Society for the Protection of Birds (RSPB)	We are planning to set up regular meetings with this stakeholder to keep them involved and enlist their support of our scheme.

2.2 Continued engagement with the wider stakeholder population regarding the development of the regional plans, the selection and prioritisation of solutions, and the reconciliation of plans across the region will follow in Gate 2.

2.3 Tier 2 stakeholders such as local authorities, local interest groups and the wider community will be the focus of our Gate 2 work, to increase their understanding of the potential benefits of the SRO.

2.4 As more details of the design of the schemes are developed, early engagement with local authorities will focus on concerns such as planning applications. We have already begun this process. In July local authorities in the Severn Trent catchment where the interconnector could be routed were invited to attend a workshop where the scheme was presented and discussed.

3. Customer engagement

3.1 Earlier this year five other water companies (Anglian Water, Affinity Water, Cambridge Water, Southern Water and Thames Water) together with Severn Trent Water commissioned a piece of customer research.

3.2 By collaborating to share the outputs and costs, each water company now has the same insights that will ensure consistent messaging in their communications, which is key as many of the proposed SROs cross regional boundaries and mean that water companies have to work together for the schemes to succeed.

3.3 Accent and PJM Economics were commissioned to conduct a study to assess customer preferences with respect to potential 'added value' options that could be included in the proposed strategic resource options.

3.4 The sample of completed responses contained 5,523 household participants and 565 non-household participants who answered the questionnaire online.

3.5 Prior to answering the first set of stated preference questions, which involved pairwise choice questions between combinations of project additions and bill changes, participants were shown background information about water companies' planning for the future and about the purpose of the survey. Over 90% (strongly) agreed that they were able to understand the choices.

3.6 The provisional findings have shown participants' indicative willingness to pay (WTP) values for a set of potential project additions in the context of the SROs. The findings are indicative only at this stage until weightings are applied and suggest the following provisional conclusions.

3.7 During the surveys, respondents were asked to consider the added value of benefits that the SRO schemes could bring and how much they would be willing to pay in their water bill to obtain them which are as follows:

Table 2: Added values benefits list

One in every 50 jobs created will be an apprenticeship
A quarter of all employees are local
Increased visitor numbers, with economic benefits
Links to heritage and local history, through signs at the site
Space provided for eco-agricultural activities
Irrigation reservoirs to improve local farmland
Café with locally sourced food
Fish ponds created, with public access
Visitor centre
Shop selling sustainable products and gardening materials
Outdoor BBQ/picnic facilities
Water sports facilities, e.g. sailing, paddleboarding
Land-based recreation/amenities
Restaurant/café/welfare facilities
Wildlife viewing platform, Bird watching facilities
Children's playground
Sensory garden/space for those with learning difficulties
Walking paths, Boardwalk, Bridleway and Cycle trail
Beach area
Campsite
Conference centre
Education/training/research facility
Links to bus and rail stations
Reduced flood risk to surrounding area
New wetland area
Specialist habitats created for wildlife

3.8 The top three highest-valued project additions by households for sites local to them are:

- specialist habitats created for wildlife (£3.87 annually)
- new wetland area (£3.24 annually)
- space provided for sustainable agriculture (£2.61 annually).

3.9 For non-households the top three highest-valued project additions are:

- sensory garden/space for those with learning difficulties (0.76% of the annual water only bill)
- specialist habitats created for wildlife (0.70% of the annual water only)
- new wetland area (0.66% of the annual water only bill).

3.10 Provisional conclusions are that:

- there are a number of indications that the stated preference exercises worked well and produced valid findings
- participants indicated that they understood the purpose of the survey and feedback following the added values benefits choice exercise was positive
- there were very few instances of non-trading behaviour (where participants always chose the same alternative) and
- the econometric models were well estimated.

3.11 This provides assurance that the survey is progressing well and will produce valid evidence about customers' WTP for project additions in the context of SROs. The sample of completed responses contained 5,523 household participants and 565 non-household participants who answered the questionnaire online.

3.12 Customer responses and insights are continuously measured by Severn Trent, including a regular tracker on metrics including customer satisfaction, value for money and affordability.

3.13 The full report is available as an appendix.

4. Stakeholder engagement

4.1 From statutory consultees and specialist interest groups to local communities and businesses, we need to effectively engage with groups and people who have an interest in the SRO and could be impacted by the scheme.

4.2 Organisations engaged will represent a wide variety of interests, such as the environment, public water supply and agriculture. Due to the nature and scale of the scheme, there will be a need for extensive engagement with landowners, local authorities and communities as the design is developed to improve understanding, open a dialogue and bring stakeholders onside.

4.3 The stakeholder engagement programme builds on the work completed in Gate 1 as well as ongoing feedback from RAPID and other regulators. In Gate 1 the focus was on issues which could potentially prevent, or substantially change, the development of the scheme. We are now starting a dialogue with the wider stakeholder community and special interest groups to ensure there is a full understanding of concerns.

4.4 Our stakeholder programme combines two strands of activity - engagement via the water resources planning process, as well as engagement on specific scheme Issues with special interest groups and local authorities.

4.5 The engagement activity for this SRO is framed within this water resources planning landscape to ensure that stakeholders understand the overall process, the key decision points and opportunities to contribute.

4.6 Since our Gate 1 submission, we have collaborated with Water Resources West (WRW) and supported their regional planning process to ensure stakeholders are fully informed of the wider context of the scheme.

4.7 In September 2021 WRW created a short summary document to update people on their planning future water needs. This was followed in early 2022 by a series of virtual workshops in the North West, Midlands and Wales.

4.8 A total of 133 stakeholders participated in the workshops, representing 84

organisations. The most widely represented stakeholder types were local authorities (23%) followed by government bodies (18%) and utilities (10%). These formed part of the programme of consultation on their Emerging Regional Plan.

4.9 The workshops were designed to seek feedback from stakeholders on a range of topics, through discussion and interactive voting and resulted in the publication of the Emerging Regional Plan: Consultation Workshops Report in May 2022.

4.10 Highlights of the findings include:

- there was majority support for sharing water resources however this was a politically divisive issue. Some delegates objected to their water-rich region losing out to developments in the South, whereas others agreed that water transfer was ethically the right thing to do
- when asked to rank the benefits of water transfers, enhancements to the environment was first, followed by improvements to water supply and resilience, with investment into the area third.

The full report is published on the WRW website

<https://waterresourceswest.co.uk/publications>

4.11 The focus of this consultation was to seek views on strategic questions which would shape the development of a more detailed plan, which WRW will publish in Autumn 2022.

4.12 In addition, WRW has been using the new online forum IdeaStream to engage with members and stakeholders. To date there have been over 5,000 site visits and 341 registered stakeholders, with 73 using the platform to provide WRW with their views.

4.13 WRW is also planning to launch a new consultation on Water Transfers to understand stakeholder views on the impacts of changes of water supply and their opinions on the specific strategic resource option proposals under consideration.

Local authorities

4.14 Our SRO scheme design and pipeline route needs to be mindful of current (and future) local authority Local Development Plans.

4.15 Stroud District Council for example has been prepared a “whole canal corridor” vision and strategy for the future regeneration and active use of the district’s canals. There is approximately 80km of canal bank extending through Stroud District representing a significant continuous ecological corridor which could equate to 6,000 trees planted in a linear way. Public consultation on their plan closed in May 2022 and we will keep the council engaged and share our plans.

4.16 From 2020 – 2030 Stroud District Council has made a series of pledges to make the district carbon neutral by 2030, which include the natural environment and the canal network. From securing funds to complete the restoration of the Saul section of the Cotswolds Canal to developing a Water Stewardship and Waterways Strategy, the local canal network will play an important part in the town’s future economic regeneration.

4.17 We are already engaging with local authorities along the ST Transfer interconnector route and a presentation was made via teams on 12 July for planning officers to be briefed on the scheme and ask any initial questions. This level of contact will grow as the planning application process gathers pace.

Special interest groups

4.18 We want to establish a good open relationship with these groups, understand their concerns and ensure that their feedback is incorporated into the Sources SRO scheme design.

4.19 We are mapping the variety of special interest groups that will have an interest in the Sources SRO which includes the following organisations:

Table 3: Special interest groups

Organisation	Interest
Gloucestershire Wildlife Trust	Five percent of Gloucestershire households are members of GWT, one of the highest membership rates in the UK and have over 500 active volunteers who help conserve wildlife.
Stroud Valley Projects	Originally founded in 1988 to help protect the industrial heritage of Stroud and its five valleys, SVP work with local community groups and volunteers to discover and nurture the wildlife and green spaces on their doorsteps.
Local Nature Partnership	The Gloucestershire Local Nature Partnership (GLNP) is formed of over 30 organisations working together to recognise the importance of embedding nature's value in local decisions for the benefit of nature, people and the economy. LNPs are seen by DEFRA as key in the local delivery of the <u>Government's 25 Year Environment Plan</u> .
Campaign to Protect Rural England (CPRE) Gloucestershire	Gloucestershire has the potential to be a leading area for sustainable economic growth and human wellbeing. The CPRE has its own six point vision for the region.
Severn Rivers Trust	The Severn Rivers Trust protects and enhances the River Severn, its tributaries and streams in both England and Wales. Their vision for the Severn is - a vibrant healthy Severn for everyone. They are concerned with loss of habitat, collapse

	of ecosystems, erosion of precious soils, increased flooding and devastating drought.
The Inland Waterways Association	Campaigns to protect and restore canals and navigable rivers as well as promoting greener boating.
Cotswold Canals Trust (CCT)	In the design for Sources SRO the Cotswold Canal would be an abstraction or transfer point, so naturally the is very interested in the development of this SRO. In March of this year the CCT was encouraging its members to take part in the Water Resources South East consultation process to share their views on the Sources SRO.
National Farmers Union	The Gloucestershire branch of the NFU represents the interests of 1000+ farm and rural businesses.
Cotswold Canals Connected	The Cotswold Canals Connected project is linking the Stroudwater Navigation Canal with the Gloucester and Sharpness Canal to join with the rest of the UK's canal network. This will open up new business opportunities, creating a new wildlife corridor and a vibrant tourist destination
The Gloucestershire Local Nature Partnership	Coordinated through Gloucestershire Wildlife Trust, this group is producing a county plan. It will look at how important wildlife habitats can be improved and extended, how fragmented areas of the same habitat might be joined together.

5. Gate 3

5.1 Continued engagement is important as it will help to shape and challenge each stage of the Sources SRO development. In the approach to Gate 3 our stakeholder engagement strategy will shift focus to engagement with local stakeholders and communities to enable them to participate in the design of the scheme at a formative stage.

5.2 We anticipate that stakeholders will need more information about any changes to the canal design, construction activity, and operation including costs, environmental impact and recreational opportunities.

5.3 We anticipate that customers will need assurances about the safety of transferred water (particularly from a recycled source) and they want to understand if there will be potential changes to the aesthetics of their water supply.

5.4 We will design the scheme/route to avoid or mitigate any impacts on land and properties but If any homes, businesses or heritage assets are affected by the construction and route of this scheme, we will speak openly to local residents and landowners early in the process about the potential options.

5.5 At Gate 3 we will be seeking to mitigate impacts, maximise the benefits and develop a scheme that is supported by our customers and stakeholders.