

Environment Agency consultation: Updating the determination of water stressed areas in England.

Wildlife and Countryside Link Response: March 2021

1. Do you think that the approach using water available for supply, environmental needs together with future demand for water effectively supports the determination of areas of water stress in England? If not how could it be improved?

Yes.

We welcome that the proposed water stress method takes a long-term view of the availability and the demand for public water supply, accounting for future population growth, climate change, environmental needs and increased resilience. Particularly welcome is the long-term outlook; the ability to take action based on *future* demand will play a key role in ensuring that water resources management is more sustainable and resilient, and the National Framework for Water Resources enables us to do this on a more consistent basis and on a longer timeframe. We also welcome the use of the 'enhanced scenario' when considering the level of environmental protection that the designations should seek to help deliver; this rightly recognises the greater impact that excessive abstraction can have on more sensitive habitats such as chalk streams and principal salmon rivers.

The modelling undertaken assumes that existing water company commitments on leakage reduction and demand reduction are met; we understand that sensitivity testing has considered what would happen if leakage targets were *not* met, showing that whilst this increased water stress in some areas the impact was insufficient to alter the newly-modelled classifications (i.e. no further areas became seriously water stressed). However, with public water supply being only a portion of water demand, we question whether similar sensitivity testing has been undertaken looking at demands from agriculture, power generation and other water usage requirements. If this has not been possible, we suggest that the above modelling may benefit from a more cautious approach, since serious water stress may be more likely than the model suggests if uncertainty in these other factors has not been able to be incorporated.

2. Do you agree that the proposed classification results effectively reflect the levels of water stress in England for the purpose of metering? If not, why?

No.

Compulsory metering should not be linked to water stress designation; meter roll out should be more ambitious. The current rate of meter penetration is inadequate, and approaches have been piecemeal. This is extremely cost-inefficient, and has failed to deliver water security and efficiency. There should be full, universal metering across England. Government should remove the current restriction which prevents water companies from progressing compulsory metering programmes in areas not designated as 'seriously water stressed'. We believe this is the fairest way to charge customers, can deliver significant water, energy and carbon savings, and helps to reduce abstraction needs, leaving more water in the environment.

Ideally, meters should be smart meters, which offer greater resolution of data and help customers to engage with their water use. Smart meters also save more water, and are more effective at identifying internal plumbing losses.¹

Consumer awareness and valuing of water is key to reducing consumption.² Surveys commissioned by Waterwise and Water UK in summer 2020 showed that 46% of people think their entire household uses less than 20 litres of water a day. The real figure is around 143 litres per person.³ Research shows that customers paying for their water use by meter use 12-22% less than those that pay by rateable value.⁴ In England and Wales, from April 2019 - March 2020, customers with a water meter used 129 litres per person per day. Customers without meters used 171 litres per person per day.⁵

Universal metering should be accompanied by water labelling and more stringent water efficiency standards implemented through the national planning policy and building regulations.

¹ <https://www.water.org.uk/wp-content/uploads/2019/12/Water-UK-Research-on-reducing-water-use.pdf>

² For example: <https://www.waterrating.gov.au/about/review-evaluation/consumers>

³ <https://www.water.org.uk/news-item/vast-majority-of-brits-have-no-idea-how-much-water-they-use-each-day/>

⁴ https://waterwise.org.uk/wp-content/uploads/2019/09/The-Effect-of-Metering-on-Water-Consumption_June2017.pdf

⁵ <https://discoverwater.co.uk/amount-we-use>

3. What is the right size of area for the classification of water stress?

Currently the water stress determination applies to individual water companies' areas or parts of water companies' areas. It cannot be applied to regions greater than water companies' areas. We disagree with this restriction and have outlined the case for a national approach in our response to Q2.

We can also see the benefit of taking a regional approach: The Water Resources National Framework, and the approach already established by Regional Water Resources Groups, and being given statutory footing through the Environment Bill, all indicate the benefits for water resilience of planning at a regional scale. The revised mapping shows that within the areas covered by Water Resources West and West Country Water Resources, some areas will be designated as Seriously Water Stressed and others will not; this hampers the ability of companies there to implement compulsory metering within areas in their region *not* designated as seriously water stressed to support water resources needs within those that *are*. We feel that this is an unnecessary barrier to resilience.⁶

4. Do you agree that classifying water stress according to 2 levels, serious and not serious is still the right approach? If not, please explain your answer and suggest an alternative.

Yes.

Notwithstanding the above comments, we agree that 2 levels of water stress are appropriate for determining the applicability of compulsory metering. However, we note that the year used in the analysis to determine whether or not an area is classed as seriously water stressed was 2040 (to tie in with the planned achievement of 1 in 500-year drought resilience). We suggest that for areas classed as 'not serious' under this scenario, but that which become seriously water stressed if 2050 is used as the determination date (the final year for which predictions have been made through the National Framework), additional allowances should be made. For example:

- The likelihood that the area may become seriously water stressed by 2050 should be clearly communicated to companies and stakeholders
- The Environment Agency should recommend that modelling for those areas is repeated in 2023 taking account of any new information, so that if revised data suggests the area may become seriously water stressed sooner than thought (and before 2040), the companies in question will then be able to consider compulsory metering for those areas within their PR24 Business Plans.

⁶ See our joint project with the water sector, '[Naturally Resilient](https://www.wcl.org.uk/docs/Naturally%20Resilient_Final_Report.pdf)' - https://www.wcl.org.uk/docs/Naturally%20Resilient_Final_Report.pdf

5. Are there any water company areas you would like to be included or excluded? If not, please explain your answer and suggest which areas.

No.

However, we note that determining areas of serious or not serious water stress now, based on current understanding of future supply-demand balances, means that the mapping does not take into account the local level of ambition for environmental protection that is currently being identified by Regional Water Resource Groups. The groups are working with local stakeholders to identify 'Environmental Destinations' which will impact the scale of abstraction reductions required, and therefore the supply-demand balance. As the enhanced scenario has been used in the water stress modelling (delivering the greatest level of environmental protection of those modelled, and therefore requiring the largest abstraction reductions) local ambition is likely to be aligned with this picture in many cases, however wherever there is local support for going further still, we question whether companies will be dissuaded from considering metering schemes as a means to help meet this ambition, if not in a water stressed area Companies should be encouraged to consider the merits of metering even if outside of seriously water stressed areas, particularly where it could help to meet stakeholder ambitions for environmental recovery.

6. Do you agree with the approach we have taken for the Isles of Scilly because of the available data and that water resources planning for the Isles is at an early stage? If not, please explain your answer.

Yes, given the information available, we support the Environment Agency's conclusion that there is sufficient evidence that the Secretary of State should determine the Isles of Scilly an area of serious water stress, and would support this as a precautionary approach even if the evidence were less compelling.

7. Please add any other points related to water stress you would like to raise as part of this consultation.

We share the concerns raised by Waterwise in their response to this consultation that existing planning policy discourages Local Planning Authorities (LPAs) from requiring ambitious water-saving measures for development in their areas. Technical standards, which the National Planning Policy Framework states that new housing should comply with, permit LPAs to put in place Local Plan policies that require new

homes to meet a target of 110 litres/person/day water use where there is clear local need, exceeding national Buildings Regulations requirements of limiting water use to 125 litres/person/day. This sets a ceiling on ambition and means that measures which have wider benefits, such as greywater re-use, are rarely implemented because the standards can be met easily through other means and are considered as a goal rather than a minimum target. This is a shortcoming in the policy framework.

Our joint project with the water sector 'Naturally Resilient'⁷, explored the interplays between a resilient water environment and water sector. Resilience is 'the extent to which a system can withstand stressors and continue to provide benefits in the long term'. This highlights that resilience in the water sector and natural environment is co-dependent. Our freshwater habitats are in significant decline, with 13% species threatened with extinction. Simultaneously, parts of England are projected to run out of water in the next 20 years, with the UK's total water supply forecast to drop 7% by 2045 due to climate change and sustainable abstraction limits.⁸ The project also found that barriers to investing in the environment included a lack of agreed definitions and metrics, and difficulties in valuing natural capital.

Proper consideration of resilience is vital to manage water stress, in addition to achieving wider industry obligations and aspirations, including compliance with environmental legislation, the commitment to achieve net zero, and wider contributions towards green recovery. Resilience must be at the heart of decision making in Government and the water industry, to protect our freshwater environment and to safeguard clean and plentiful water for people and businesses. Steps must also be taken to define and develop metrics to measure resilience across sectors, and the benefits of a move towards more formal adoption of natural capital accounting methods for PR24 should be considered.

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This response is supported by the following Link members:

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⁷ https://www.wcl.org.uk/docs/Naturally%20Resilient_Final_Report.pdf

⁸ <https://www.nao.org.uk/press-release/water-supply-and-demand-management/>