

Blueprint for Water coalition

Briefing on the Water Bill

House of Commons, Second Reading, October 2013

Last year's chaotic weather saw a groundwater drought leading to hosepipe bans, at the same time that we experienced heavy rainfall and flash floods. Such extremes are becoming the norm, and they highlight the importance of sustainable water management.

That is why the Blueprint for Water coalition believes that the Water Bill must be used to introduce reforms that ensure: **sustainability** and **resilience** of the water industry; **protection** of the freshwater environment, and; **fairness** for customers.

The Bill already introduces some provisions that will pursue these aims:

- Water companies will no longer receive compensation for changes to their abstraction licenses, which sends the message that such changes are the duty of water companies and also enables the compensation funds to be used to tackle unsustainable abstraction.
- Water companies will be able to construct and maintain sustainable drainage systems, which should lead to greater uptake of this form of green infrastructure.
- Changes to how developers are charged for water and sewerage infrastructure will enable the charges to be linked to water scarcity. And in addition, the introduction of retail competition amongst water companies could support greater water efficiency in the non-domestic sector.
- The Strategic Policy Statement to Ofwat will receive a statutory underpinning, helping to secure its provisions around managing water for the natural environment and for the long term.
- The removal of *Network Infrastructure Authorisation* will reduce the risk that competition will have a negative impact on the cost of capital, though it does nothing to address the threat of increased abstraction.
- Finally, the transfer of responsibility for supply pipes from customers to water companies should help to drive down leakage.

However, the Blueprint for Water coalition believes more could be done in this Water Bill to address fundamental issues facing the industry and water environment. We therefore seek amendments that will:

- 1. Create a framework for a sustainable abstraction regime.** The opportunity must be taken to introduce a legislative framework for abstraction reform, giving the Government powers to reform the abstraction regime from 2015, according to the principles set out in the Water White Paper. The Environment Agency estimate that 18% of England's rivers are already over-licensed, and that nearly 40% of water company abstraction volume is not used. Unless a legislative framework for abstraction reform is introduced, upstream competition and water trading proposals in the Bill could lead to a massive increase in over-abstraction, and thus to more rivers drying out during peak demand and/or drought.

- 2. Regulate for a sustainable water sector.** Ofwat's secondary duty to promote sustainable development should be elevated to a primary duty. This would avoid situations where Ofwat cannot approve investments to deliver, for example, demand management in 'over abstracted' areas, because it conflicts with the regulators' primary duty (i.e. if there are significant financial implications for companies).
- 3. Broaden the proposed resilience duty on Ofwat.** The proposed resilience duty should be broadened to encompass all threats to the industry (including financial threats) that may risk customer service and supply. It should also reflect the vital role the industry plays in improving the resilience of the environment and society.
- 4. Give customers the right to choose universal metering in their area.** Red tape should be removed from water companies to allow customers - no matter where they live - the option of compulsory metering, supported by appropriate tariffs. This would mean that all customers have the option of widespread metering, which provides a vital foundation for fair, affordable, sustainable and reliable water supplies. Without metering the significant reductions in leakage and per capita consumption we need are unlikely to come about.
- 5. Introduce a consistent, risk-based approach to regulating watercourse management and modification.** This would clarify the situation around watercourse management and modification for those undertaking work, while offering better protection to the environment.

About the Blueprint for Water

The Blueprint for Water is a unique coalition of environmental, water efficiency, and fishing and angling organisations that is calling on the Government and its agencies to set out the necessary steps to achieve "sustainable water" by 2015 (www.blueprintforwater.org.uk). The Blueprint for Water is a campaign of Wildlife and Countryside Link.

This briefing is supported by the following nine organisations:

- Amphibian and Reptile Conservation
- Angling Trust
- Buglife – The Invertebrate Conservation Trust
- Royal Society for the Protection of Birds
- Salmon & Trout Association
- The Rivers Trust
- The Wildlife Trusts
- Wildfowl and Wetlands Trust
- WWF-UK

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