

Blueprint for Water

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Watered Down Ambitions? –

How The Draft Water Resource Management Plans Miss The Environmental Target

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Every 5 years the water companies in England and Wales go through a statutory process to prepare plans that set out how they will meet drinking water demand over at least the next 25 years and what investments they propose making in the next 5 years.

These Water Resource Management Plans (WRMP) have been out for consultation this Spring and the environmental NGOs in the Blueprint for Water coalition have been working together to assess them. We analysed publicly available [comparative data](#) on key metrics in the plans looking at both short term and long term ambition and we compared what the plans said with the priorities we shared with the sector in May 2017 in our [Blueprint for PR19](#).

In particular, for the WRMPs we focussed on what the companies say they are planning to do on abstraction, leakage and demand management; resilience & catchment management and at how they were collaborating on solutions within the sector and with other sectors. My thoughts across these four areas are set out below.

1. Abstraction

There was strong evidence in the plans of a commitment to addressing water abstraction where it is thought to be already impacting on the health of our rivers. This is good news but perhaps not surprising as the sector has been working with the environmental regulators to deliver this ambition for at least two decades! In the case of the Test and Itchen in Hampshire decades of studies and circular debate has only recently been resolved but although Southern Water will cut back on its abstraction in the area it is clear from their plan that no alternative solution has been readied so we will see a decade of frequent drought permits and orders until a solution can be implemented.

Interestingly in Severn Trent's plan rather than try to fix numerous site-specific abstraction issues they are progressing a more strategic solution to move water into and around their supply area that will enable them to step away from impacted sites.

There is also a large programme of work in the plans linked to ensuring that there is no deterioration in Water Framework Directive (WFD) status, a legal red line in the WFD. We welcome efforts by the sector to address this risk. However, despite OFWAT setting a common performance commitment for the sector on the use of the Abstraction Incentive Mechanism (AIM) to reduce the impacts of abstraction on the environment most plans fail to set out what they plan to do on AIM.

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2. Leakage and Demand Management

The environmental NGOs have been very vocal in pushing the sector to step up ambition on leakage and demand management so that companies don't need to take as much water from the environment in the first place. This set of plans certainly goes further and faster than previous plans with the result that the sector as a whole is expecting to put less water into distribution in England in both the short term and long term despite climate change and population growth (see Table 1).

Political, regulatory and peer pressure – and comments from customers, in particular – all appear to be providing an effective collective nudge here, to the good of the environment and to enhanced supply resilience.

Table 1 Overall Planned Distribution Input in England

Plan year	2020	2025	2045
Distribution Input (MI/d)	13537	13298	13256
% Reduction from 2020		1.7	2.0

On leakage the steer from OFWAT is that companies should target a 15% reduction from 2020 to 2025. This is reflected in the level of ambition of most companies although there is still considerable variation in both short and long-term ambition (see Table 2). The [National Infrastructure Commission report](#) (April 2018) into the resilience water supply infrastructure recommends companies halve leakage by 2050 and it is evident most fall well short. UKWIRs 'Big Questions Facing the Water Industry' agenda for research goes further still, in asking "How will we achieve zero leakage in a sustainable way by 2050?" There's much to be done.

Table 2 Levels of Ambition on Leakage

Leakage (litres/property/day)	2019/2020	2024/2025	2044/2045	% Change 2020-2025	% Change 2020 to 2045
Anglian	80	60	39	24.9%	51.2%
Northumbrian	113	93	55	17.8%	51.4%
Severn Trent	115	93	73	19.4%	36.6%
South West	96	88	63	9.0%	34.5%
Southern	76	65	52	14.7%	31.2%
Thames	159	136	103	14.1%	35.0%
United Utilities	134	121	96	9.8%	28.6%
Wessex	121	112	87	7.2%	27.6%
Yorkshire	99	71	53	28.6%	46.4%
Affinity	103*	92	39	-10.6%	62.0%
Bournemouth	91	84	68	7.5%	24.9%
Bristol	81	68	56	15.0%	29.9%
Essex & Suffolk	75	59	33	21.4%	55.3%
Portsmouth	111	91	80	18.1%	28.0%
South East Water	92	84	67	9.7%	27.0%
South Staffs	110	93	72	15.4%	33.9%
Cambridge	86	71	42	16.4%	50.5%
Sutton and East Surrey	82	62	51	24.0%	38.0%

* 2020/21 data used for Affinity

Data extracted from [Comparative data](#) (numbers rounded)

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Unfortunately, there was no comparable sector steer from OFWAT on water use efficiency measured as per capita consumption (PCC). The levels of ambition in the draft plans are generally disappointing, particularly in the long term (see Table 3).

The NIC report recommends that companies should be targeting 118 litres/head/day (l/h/d) and a report published by OFWAT in May 2018 ([OFWAT Report](#)) into the potential for deep reductions in household water demand concludes that it is possible to achieve average household consumption of between 50 and 70 l/h/d by 2065 without a reduction in the level of utility or quality of water use; although it does highlight that this will not be delivered by the industry working in isolation. Interestingly what seem like ambitious PCC targets were actually the norm in the 1950s and 1960s. Behaviour has changed a lot since then, with high abstraction consequences.

Table 3 Levels of Ambition on Per Capita Consumption

PCC Consumption Ambition (litres/head/day) average	2019/2020	2024/2025	2044/2045	% Change 2020 to 2025	% Change 2020 to 2045
Anglian	137	131	122	5.0%	11.0%
Northumbrian	141	136	129	4.0%	8.7%
Severn Trent	133	128	121	3.4%	8.9%
South West	140	135	127	3.5%	9.1%
Southern	138	125	120	9.9%	13.0%
Thames	142	136	125	4.5%	12.0%
UU	135	130	113	3.4%	16.0%
Wessex	137	134	130	2.3%	4.9%
Yorkshire	125	119	112	4.3%	10.4%
Affinity	140	138	132	1.4%	5.3%
Bournemouth	144	139	129	3.9%	10.6%
Bristol	142	138	127	2.8%	10.8%
Essex & Suffolk	152	145	135	4.5%	11.5%
Portsmouth	137	133	130	2.8%	4.6%
South East Water	147	144	138	2.1%	6.1%
South Staffs	129	126	120	3.0%	7.6%
Cambridge	136	132	125	2.8%	7.9%
Sutton and East Surrey	156	148	143	4.7%	8.2%

* 2020/21 data used for Affinity

Data extracted from [Comparative data](#) (numbers rounded)

Southern Water's 'Target 100' scheme aims to support customers in reducing their personal water use to 100 litres per head per day by 2040 and in the five-year period to 2025, their reduction target is the most ambitious of all companies at 9.9%. By contrast, neighbouring Portsmouth have one of lowest levels of ambition at 2.8%. These very different targets are heavily influenced by the companies' ability to meter their customers; Southern Water's universal metering programme has already seen significant reductions in PCC, but Portsmouth's inability to meter makes it difficult for them to incentivise their customers to save water despite the fact that the two companies are looking to increasingly share precious resources in the future. Government should remove restrictions on metering as recommended by the NIC. This would enable companies to increase their efforts on water efficiency, with water savings then available to contribute to regional shortfalls in supply.

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3. Resilience & catchment management

The resilience of the water sector is important for the environment, as well as for household and non-household water takers and users. It is usually the environment that suffers when water companies are not resilient through an increased reliance on drought permits and orders and through more pollution incidents. Both government and the regulators have signalled strongly that water companies need to do more to improve their resilience, particularly to drought. The companies have responded to this and the plans generally set out their current level of resilience to a 1 in 200 year drought and where there are gaps they highlight measures they will take to improve resilience.

Where the plans are much weaker is in recognising the role of the environment and land management in the resilience of their water sources. Anglian Water's catchment work is not even mentioned in their draft water resources plan and there still seems to be some siloed thinking in some companies on this issue. How catchments are managed is critical to the sustainability of our water sources in those catchments. The connectivity between land management and the management of water resources is fundamental. There are significant risks and opportunities post Brexit in this area and we need water companies to join us in being far more active in advocating for a land and water management system that works for them and their customers.

4. Collaboration to find the best solutions

Initiatives such as Water Resources East led by Anglian Water have shown how water companies can collaborate with each other and with other sectors such as agriculture, energy and the environmental sector both in terms of identifying the water resources challenges ahead for each sector and potential solutions that could deliver multiple benefits. This is definitely a blueprint for how water resource planning should be done in the future.

Unfortunately, that spirit of collaboration to find the best solutions does not seem to have translated well into the draft WRMPs. Very few look at the future needs of other sectors or at solutions that work across sectors. Indeed, the impression I have is that the plans don't even join up with each other across neighbouring water companies. Multi-company options such as new water transfers are referred to briefly or parked in many of the draft plans which generally favour company specific solutions. I suspect this issue is partly a cultural issue within the companies, partly a failure of the economic regulator to provide the right carrots and sticks to encourage collaboration and partly a failure of the Environment Agency to provide the leadership at a regional and national scale on water resource planning. It does leave a hanging question in my mind as to whether we are really seeing the best regional and national solutions coming out of the WRMP process. As it stands, a change in one company's plan has the potential to set off a multi-directional domino-effect impact on other companies' plans.

So, in summary, despite some signs of progress on leakage and drought resilience, overall, I was left disappointed with the draft Water Resource Management Plans. In particular I am concerned there is a lack of join up within companies and between them and that we aren't seeing the best solutions coming out of the process.