

Consulting on the draft Water Resources Planning Guideline

We welcome the opportunity to respond to the consultation on the draft Water Resources Planning Guideline. We understand the benefits behind more flexible guidelines but advise caution that this does not lead to water companies neglecting their obligations, especially with respect to protecting the environment and sustainable use of water resources. In general we believe the guidelines are concise and easy to follow. However, we do not believe there has been enough guidance around ensuring resilient water services and a natural environment.

We have a few specific comments to make.

2.1 Legal requirements

Under this section no mention is made of the Water Act 2014 which requires Ofwat “to secure the long-term resilience of water undertakers’ supply systems and sewerage undertakers’ sewerage systems as regards environmental pressures, population growth and changes in consumer behaviour”. Water Resource Management Plans are a critical part in the process of ensuring resilience and yet the guidelines barely cover them. As a new duty the water companies could benefit from more guidance around how their water resource management plans can help create a resilient water industry and protect the environment.

Section 3 Technical statement

With regard to ensuring resilience we believe that the statement under this section that “your plan should focus on efficiently delivering the outcomes that your customers want, while reflecting the value that society places on the environment” does not reflect Ofwat’s draft definition of resilience. This states “Resilience is the ability to cope with, and recover from, disruption, and anticipate trends and variability in order to maintain services for people and protect the natural environment now and in the future”. Ensuring resilience needs to be better incorporated into this technical statement.

Customer challenge groups through the 2014 Price Review process showed an increase in environmental concern but the need for company work to improve it. Severn Trent’s customer engagement work released in September 2015 showed not only their concern for the state of the freshwater environment but to pay well over expectations to improve it. Likewise 85% of Wessex Water customers thought that protecting rivers, lakes and estuaries was an important element of the company’s business plan.¹

Water companies need to understand that the environment provides an intrinsic social value customers are willing to pay for. However, customer willingness to pay surveys do not necessarily reflect the value society places on the environment and the guidelines need to include other evidence.. For example the

¹ Charting a Sustainable Course. Severn Trent <https://www.severntrent.com/futures/policy-regulation/charting-a-sustainable-course/>

Eurobarometer (Attitudes of European citizens towards the environment, 2014) found that 94% of the UK think that it is important to protect the environment; 82% are willing to buy environmentally friendly products even if they cost a little more; 73% believe the state of the environment affects their quality of life; 75% believe that the efficient use of natural resources can boost the economy; 62% believe that measurement of UK progress should be based equally on social, environmental and economic criteria with a further 17% believing it should mainly be based on social and environmental criteria and only 12% believing it should be based mainly on economic criteria; 71% do not believe that big companies and industry are doing enough to protect the environment, highlighting the wider importance of the environment to society. Water companies implicitly impact on the environment that people value so highly through the water they abstract, however, this is not necessarily understood by customers or well explained by water companies.

3.1 Developing your plan

We welcome the requirement that water suppliers have to demonstrate how their plans will contribute and comply with Biodiversity 2020 (England) or Nature Recovery Plan for Wales.

Although we also welcome that environmental and social cost need to be considered we believe that these cost benefits need to be integral to the water supply decision process along with economic cost benefits rather than simply “considered”.

This section fails to mention maintaining Site of Special Scientific Interest (SSSIs) favourable conservation status. We are also assuming that reference to European Marine Sites encompasses RAMSAR sites.

3.2 Planning scenarios

Water companies are required to state a baseline “what will happen if you take no new supply or demand actions and do not implement any changes in company policy or existing operations.” As such this baseline fails to consider current over abstraction issues. We recommend that the baseline needs to incorporate requirements for a transition to only sustainable abstractions.

Water supply options must not result in over abstraction in drought scenarios. There should be a requirement to the plans to set out risks to the environment under drought scenarios.

It is important that when considering River Basin Management Plans (RBMPs) and status for European protected sites it is not simply the quantity of water abstracted that has an impact but that consideration is given to the impact abstracting water has on concentrating pollutants in a less dilute source to levels which can damage the environment.

4.4-4.8 Sustainability

Abstraction significantly impacts the environment outside of the in-river environment and groundwater aquifer, including hydrologically connected land and wetlands which could be home to protected species and vulnerable habitats. The guidelines need to make clear that sustainable abstraction needs to ensure sufficient environmental flows for the whole ecosystem to function rather than solely considering environmental flows from the perspective of river functioning. In addition we recommend that the guidelines refer to the Restoring Sustainable Abstraction (RSA) program more generally.

It is assumed by government that current over abstraction will be tackled before entering the new abstraction regime in the early 2020s, but our organisations feel that until this is completed it should be clearly stated in these guidelines that it is the government intention to do so. This will reinforce the government's intention with the water company planners and drive action towards its completion

The current consultation on Abstraction Incentive Mechanism (AIM) indicates that the AIM taskforce proposes that reporting would be through the companies' annual reviews of their Water Resources Management Plans, yet there is no mention of AIM within these guidelines.

5.6 Forecasting leakage

We support the statement around assessing options to reduce leakage and consideration of the value customers place on reducing leakage. It should be noted that the resilience of the system is also supported by a reduction in leakage. We believe that current levels of leakage reduction are not ambitious enough and although we understand concerns around the costs of addressing leakage, water companies should be allowed to increase their commitment to reducing leakage above that laid out as the "Sustainable Economic Level of Leakage" (SELL) should they feel that there is customer support and beneficial resilience outcomes.

6.1 Deciding on future solutions

Instead of "cost – both monetary and non-monetary" we recommend the terminology is changed to "economic, environmental and social cost benefit" to fully express the benefits of undertaking an option as well as the costs.

Although the consultation mentions a requirement to list catchment approaches under the Water Framework Directive and RBMP sections, there is no mention of catchment management as a means to enable supply and/or resilience. As these are Environment Agency guidelines we believe this document has a role to ensure that catchment management is seen as a valid contribution in any options appraisal. By improving water quality upstream of an abstraction site, less money needs to be spent on water treatment. In some cases water quality issues could mean that abstraction was not a viable option but catchment management could change the cost scenarios of some options.

It is important that cost-benefits adequately reflect the benefits of demand options as well as supply options. Demand reduction measures offer a more resilient solution by reducing the need for supply even in the face of population increases and are particularly important where supply increases are limited. The guidelines should give more guidance on using demand measures as part of the package of options. There is also very little mention of innovation. Ofwat have made clear that they believe barriers to innovative options have been removed and this should be highlighted and encouraged in the guidelines.

6.2 Resilience solutions

We welcome the guidance on resilience solutions but believe that water companies would benefit from additional information. Although there is mention of cost benefit analysis and whether an option offers other benefits there is very little guidance around making better linkages with water management as a whole. Encouraging water resource management plans to consider the whole system rather than just part of it will increase the ability for plans to not only make the industry more resilient but also help industry to secure a more resilient environment, which as Ofwat say is key to a resilient water sector. It is not enough for water companies to simply “explore the risks the resilience solutions will cover” and “consider the costs and benefits of different levels of resilience”. Instead we recommend that water company’s plans should consider and optimise the multiple benefits and resilience of options.

6.4 Unconstrained list

Although the guidelines require water companies to “identify whether third parties or neighbouring water companies could provide viable solutions or if there are opportunities for collaboration to develop supply or demand solutions” there is no mention in the guidelines of the need to provide both demand and supply option; unless this is covered under the UKWIR WR27 Water resources tools. The guidelines should highlight the consideration of demand management options to help increase resilience, and reduce the impact of climate change and increasing abstraction on the environment.

6.6 Sustainability change solutions

We do not agree with the following statements:

- “to meet the objectives and requirements of the Habitats Directive, Wildlife and Countryside Act and to prevent deterioration in the status (or potential) of Water Framework Directive water bodies should be cost-effective” (cost-effective means the solution that meets the objective with the lowest overall costs (including non-monetised costs) should be implemented)

- “to improve the status (or potential) of the Water Framework Directive water bodies should be cost-beneficial” (cost beneficial means a solution should only be implemented if benefits exceed costs) and must not be disproportionately costly.

The consultation appears to be putting greater weight on the need to prevent deterioration (which must be implemented irrespective of whether costs outweigh benefits) than the need to improve status, which the consultation suggests should only be implemented if benefits exceed costs. However, Article 4(1) (a)(ii) of the Water Framework Directive requires Member States to "protect, enhance and restore all bodies of surface water.", subject to the extensions and derogations available in the rest of Article 4. This suggests that although measures should not be disproportionately costly (according to the disproportionate cost assessment) they nonetheless do not have to be cost beneficial. A situation where costs exceed benefits does not necessarily make that situation disproportionately costly.

Blueprint for Water coalition

The Blueprint for Water is a unique coalition of environmental, water efficiency and fisheries and angling organisations that is calling on the Government and its agencies to set out the necessary steps to achieve "sustainable water" by 2020. The Blueprint for Water is a campaign of Wildlife and Countryside Link. More information is available at www.blueprintforwater.org.uk

If you would like to discuss any of the points mentioned above further please do not hesitate to contact the Blueprint for Water coalition at raul@wcl.org.uk.

This consultation is supported by the following seven organisations:

- Amphibian and Reptile Conservation
- Angling Trust
- Buglife
- Friends of the Earth
- The Woodland Trust
- Wildfowl & Wetlands Trust
- WWF-UK

Wildlife and Countryside Link

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