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Response to the Walker Independent Review of Household Charging for Water and Sewerage Services

A response by the Blueprint for Water coalition

The Blueprint for Water was launched in November 2006 by a unique coalition of environmental, water efficiency, and fishing and angling organisations to call on the Government and its agencies to set out the necessary steps to achieve “sustainable water” by 2015 and to fully implement the Water Framework Directive (WFD). The Blueprint for Water is a campaign of Wildlife and Countryside Link (Link).

Link brings together 38 voluntary organisations concerned with the conservation and protection of wildlife and the countryside. Our members practise and advocate environmentally sensitive land management, and encourage respect for and enjoyment of natural landscapes and features, the historic environment and biodiversity. Taken together, our members have the support of over 8 million people in the UK.

This response is supported by the following organisations:

Angling Trust
Association of Rivers Trusts
Buglife – The Invertebrate Conservation Trust
Campaign to Protect Rural England
Froglife
The National Trust
Pond Conservation
Royal Society for the Protection Birds
Salmon & Trout Association
The Wildfowl & Wetlands Trust
The Wildlife Trusts
Waterwise
WWF – UK

The Blueprint for Water (published in 2006) states that;

‘Many of us have no concept of how much water we use. Most people don’t realise that each day we waste most of the expensively purified drinking water that comes into our homes. We drink only a fraction, with the rest being flushed down the toilet or the plughole. Many of our European neighbours find it incredible that water meters are not standard in our homes. By installing water meters, we can introduce tariff schemes that protect vulnerable customers while penalising waste. Introducing full metering and intelligent tariff schemes to Southern England could halve the deficit between supply and demand predicted by 2030.’ (p9).

The Blueprint recommended that:



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- By 2008, Defra should publish a plan for installing a water meter in every home, accompanied by tariff schemes that protect vulnerable customers and deter waste
- By 2015, all homes in areas where water is scarce should be fitted with a water meter.
- By 2020, every home in England should have a water meter.

We acknowledge that 'Future Water' and the Walker Review are to a certain extent addressing some of these issues. The following points are some general comments on the questions posed by the review. Individual member organisations and partners of Link have already contributed to the review and look forward to continuing to do so:

- We support full metering and believe that a decision on implementing this policy cannot be decided on economic considerations alone and clearly also needs to consider the many long-term environmental and social benefits. With increasing demand for water, pressures from climate change and ongoing damaging pollution and abstraction, ensuring freshwater availability for both people and nature, is becoming a real social and environmental challenge. We believe that metering is the fairest and most environmentally sustainable way to pay for the water we use.
- Water metering is an essential tool to ensure a shift in behaviour towards greater efficiency, and less wastage. As a result of the current system, most households are not rewarded for careful use of water or penalised for wasteful use. Paying for water on the basis of how much we use is both fairer and more sustainable, as it introduces an important financial incentive to save water and conveys a strong conservation message.
- Water metering's wider role in helping to reduce carbon emissions should be factored in to any assessment of its value, as domestic hot water accounts for about 5% of UK CO₂ emissions. In addition, the delivery of clean water and treatment of wastewater is energy intensive, and reducing demand postpones the need for further treatment and pumping facilities.
- A key aim of any water charging regime should be the reduction of demand in order to allow abstraction to be reduced. This in turn lowers the risk of environmental damage. Only a programme of full metering is compatible with that aim, as it can help both reduce demand and promote water efficiency. A 2007 report by WWF-UK demonstrated that in the most robust UK studies carried out between 1970 and 1993, the impact of introducing meters was a reduction in 10-15% in average demand. Experience from Europe suggests a reduction in demand of 9-17%.
- A reduction in demand is needed to contribute to offset the projected increase in demand and abstraction in the coming years without needing to resort to expensive new infrastructure projects such as reservoirs and desalination plants.



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- The method of meter expansion needs to be considered. We are already moving towards increased metering but we are doing this in an ad hoc fashion that is unnecessarily expensive and inefficient. A method of meter expansion which reduces operational costs and accounts for the gradual removal of cross subsidies from flat rate customers should be developed.
- Metering enables the introduction of tariff structures that can vary depending on water scarcity, or step tariffs that discourage discretionary use such as garden watering. A reduction in discretionary use will reduce peak demand, which is a key driver for water company investment – i.e. treatment works and supply networks have to be designed to meet peak demand.
- The EU Water Framework Directive (Article 9) requires full cost recovery for water services. However, the Directive appears open to interpretation. The UK Government interprets full cost recovery to mean no subsidy for water companies, however many other member states interpret it to mean full metering and cost reflective tariff structures. Given that the 2007 EU communication on water scarcity and drought specifically calls for full metering and the use of economic incentives for water efficiency, we feel volumetric charging is an appropriate interpretation of the directive and that fair tariff structure policies provide an incentive for consumers to use water efficiently and therefore contribute to the environmental objectives of the Water Framework Directive.
- The review focuses heavily on the affordability of water in relation to metering. We recognise that there is a need for tariff structures that encourage sustainability in the water sector while simultaneously addressing affordability. It should be noted, however, that the current water affordability issues are not related to metering. Currently, the lack of a clear national strategy on metering both makes it difficult to assess the extent of the affordability problem and prevents the introduction of tariff structures that could address the problem.
- If full metering were introduced, we acknowledge that there may be some vulnerable customers, such as larger households or customers with medical conditions that require extra water usage, who would see a significant increase in their bills. These issues should be addressed through socially redistributive tariffs, the benefits system, or through an investigation for home retrofit schemes to enable vulnerable customers to reduce their bills.

Blueprint for Water
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