

# CPRE CONSULTATION RESPONSE ON THAMES WATER DRAFT WATER RESOURCES MANAGEMENT PLAN ( dWRMP 14)

## 1. INTRODUCTION

This response is from CPRE South East submitted also on behalf of the CPRE county branches of Oxfordshire and Kent which have an ongoing close interest in the development of Thames Utilities' Water Resource Management Plans.

The Campaign to Protect Rural England has an overarching mission to protect the countryside from inappropriate development, whether that countryside is designated or not designated. We work to find development solutions that protect the character and beauty of the landscape. We have a specific interest in the management of water resources in the South East because the region is water stressed, and development pressures add to that stress unless innovative solutions are found. Although the National Planning Policy Framework (NPPF) now makes it easier for water supply companies to comment on development that adds to water stress we are concerned that they still may not always do so. We are also concerned about the effects of rainfall and temperature uncertainty arising with climate change that add to water stress, and we are well aware of the regulatory commitments under the Water Framework Directive that will need to be factored into Environment Agency guidance to water companies in the near future. It is these aspects coming together that have led us to campaign over a number of years in the South East for a change of approach. When we published a Water Resource Strategy for the South East in 2007 we particularly called for:

- Greater emphasis on managing demand by helping homes and businesses to use less water, and in parallel less water being lost through leakage.
- a regional approach to water resource planning to better align with the emerging river basin and catchment management plans, and to facilitate greater cooperation between water companies
- more water recycling and indirect reuse via rivers to provide resilience in the face of water stress and climate change uncertainty
- greater attention to restoring sustainable abstraction to improve the condition of rivers and ground water.

CPRE is encouraged that some of the changes we have been advocating are emerging in this dWRMP14 from Thames. But more change is needed.

CPRE also acknowledges that Thames have made considerable progress, on the agendas that concern us since the unsustainable reservoir proposal of the original dWRMP09.

## 2. WHAT WE WELCOME

CPRE is pleased to see that Thames are planning to press ahead with more metering with the dual objective of giving customers an incentive to use less water and to use metered supply to pinpoint leakage more precisely.

As noted above CPRE has long campaigned for greater recycling of water. We therefore welcome this as a central part of the plan. We are separately urging other water companies to make water recycling a central part of their plans, and we appreciate the experience and leadership Thames is demonstrating on this subject. The previous assumption that the "yuck factor" would make this impractical is already largely disproven and we expect that the role of the DWI will become more important and more visible as

recycling becomes more widespread. We comment below on the importance of working with other companies on this subject. We note that there are technical challenges, but there is also considerable practical experience and we urge Thames to take a pragmatic approach applying their experience and that of other companies alongside the usual close working with the DWI.

In line with the lengthy dialogue and Inquiry that took place over the WRMP09, we welcome the investigation of strategic water transfers, and we note the European Journal announcements. As this WRMP14 could not, in timing terms, take account of the responses, we hope we are right to assume that the five year period of assessing long term options will include an open dialogue on the direct and indirect benefits and costs of these options: including supported and unsupported transfers from the Severn and further afield from supplies in Wales. Canal transfer options should continue to be investigated as elements of a long term resilient plan.

The level of engagement behind this plan – contacts to over 8500 customers – is very welcome. We hope this will be continued in a high level of transparency as the long term options are investigated and discussed. We also hope we are right to assume that Thames will be able to make available the results of the metering and related leakage work, as we think this may significantly change some of demand numbers in the plan., and hence the requirement for deployable output in the next WRMP19 plan.

Engagement with other companies is at a much greater level than in WRMP09. While we realize this is in part a response to the new OFWAT framework., it is very welcome. We hope this will lead step by step to a better alignment of the functional water environment : river basins, river catchments etc, with company plans., and better integration of waste water recycling and water supply.

We also welcome the increasing role of Water Resources South East, though we would like to see this doing more now that there wide acknowledgement that water resources in the South East must be considered regionally not least because of the geographically fragmented ownership of water utilities across the South East. This also essential if there is to be real progress on water reuse and recycling because for much of the South East clean water supply and waste water are by different companies, including for Thames Water.

As the organization most concerned with landscape and the character of the countryside CPRE welcomes the implied opportunity to engage with Thames in its work on long term solutions to ensure that the neither designated nor non-designated countryside are lost when the package of proposals are considered. We have made clear our commitment to finding solutions and not to say no to everything. Our objective is to try to ensure that by Thames' committing to excellence in investigation, to accurate costing and data and to leadership in partnership with other water companies solutions will be found that do not require farmland or heritage to be sacrificed, or landscape to be "industrialized".

### 3. WHAT WE HAVE CONCERNS ABOUT

#### LACK OF AMBITION ON METERING AND LEAKAGE

Although more metering is certainly welcome the programme seems to us to be seriously un-ambitious and falls well behind what other companies are doing. We appreciate the issues of multiple supply pipes in divided buildings but this is hardly unique to London.

Also given the good idea of linking metering to leakage control, there must be a case for going further and faster on metering in order to address the number one concern of customers which is leakage. From our perspective as an interested observer of Thames' plans, leakage is still the priority issue to be addressed.

Also the operational benefits of being able to use radio and remote readers makes a sea-change case for the efficient precision management of supply and customer service.

We suggest that all these benefits may not have been fully factored into the plan, with the consequence that metering and leakage reduction have been under planned.

#### BARRIERS TO WIDER SOCIETAL AND ECONOMIC BENEFITS OF STRATEGIC TRANSFERS

Although we consider that OFWAT's new emphasis on Trading is generally good because it will facilitate the dialogue between companies that is necessary to better align company plans and the needs of the environment, we remain concerned that the additional complexity may discourage companies from doing what is really needed to get optimum results for the environment and society. There are parallels with the practical implementation in Planning of the Duty to Cooperate introduced by the Localism Act to address the need of local planning authorities to think 'larger than local'. Staying local can seem better because it is simpler. And more controllable ; but it leads to suboptimum solutions.

In an increasingly uncertain climate environment it seems to us that a range of solutions is going to be needed to create resilience, and the "bold decisions" that Thames refer to are going to need to be decisions of "bold leadership" : to implement resilient partnership agreements on strategic transfers and to plan waste water recycling and ongoing efficiency measures , rather than "bold choices" between these alternatives..

To achieve the best solutions overall we believe it is very important that in the five year period there is the best possible dialogue between interests so that all the benefits can be identified and the optimum and accurate cost solutions found.

We do not underestimate the complexity of strategic transfers, but we do think the benefits of geographical resilience make it well worth while to study previous investigations which have been identified by GARD and others, as well as new proposals. We also think that the wider benefits of canal transfers also need to be more fully considered – as an opportunity for cost sharing with the canal trusts and the re-emerging freight usage of canals , as well as the wider societal health and leisure benefits of canal restoration and regeneration. We appreciate the lowest cost solution imperative for Thames , but we suggest that cost sharing is an opportunity well worth investigating in the Five year investigation period.

#### NEED TO UP THE GAME ON WATER EFFICIENCY.

We have welcomed more metering ( but want to see more for the reasons set out above).

We would also like to see more leadership from Thames on everyday water efficiency : how to save water – how to retrofit water saving hardware and change behaviours.

Thames is rightly proud of the communications success during the drought of spring 2012.

There is a huge reward to Thames if the actual per capital consumption is reduced and the supply deficit consequently lower. The benefit to customers and society would be a more resilient water supply situation and greater opportunity to meet the sustainability reductions that will be required in due course by the Environment Agency to comply with the Water Framework Directive. Customers are requesting guidance on how to use less water. It behoves Thames to be actively helpful to their millions of customers.

#### OVER RELIANCE ON MODELLING WHEN ACTUAL DATA MAY BE AVAILABLE.

We have noted that Thames is in the process of updating its modelling from WARMS to WARMS 2, and we have previously noted at the Inquiry the limitations of the UKWIR methodologies. At a time of considerable change due to water stress particularly in the South East, and everywhere due to climate change factors, we wonder whether an over-reliance on modelling is making it difficult for Thames to make the right sensible proposals for the company and society. This is a challenge as much to Defra, the EA and OFWAT as it is to Thames. If actual data is available we suggest it should carry much greater weight than modelling the same factors.

#### THE SLOW PACE OF WORK BY WRSE

Although it is not highlighted by Thames in this plan we believe that the development of a sustainable and cost effective set of water resource management plans for the South East will not be possible without a central role for Water Resources South East. This body, convened by the Environment Agency, is the only mechanism through which companies can exchange information confidentially so that the water stress across the South East can be minimized and there is the possibility to have a sensible dialogue on the vexed subject of whether clean water and sewerage services are going to be available for the major developments that local authorities are minded to provide for in their local plans and approve at planning application stage.

At a time of cost cutting across government we particularly request that the work of WRSE is maintained and if possible extended to help provide sustainable lowest cost solutions for customers, and to better inform the planning process as is now required under the National Planning Policy Framework

#### 4. RESPONSES TO THE QUESTIONS

In line with the comments above CPRE's responses to the consultation questions as follows:

##### 1. OVERALL HOW WOULD YOU RATE OUR APPROACH TO ENGAGING WITH CUSTOMERS AND STAKEHOLDERS?

We think Thames Water has reached out well to the many different audiences in its customer and stakeholder base. There are a number of consequences of this:

1. The messages back have been very clear: it now behoves Thames to deliver: particularly on leakage. The plan currently does not align with the feedback as well as it should.

2. The wide range of audiences means a wide range of levels of engagement. Thames needs to go on getting better at providing information when required even if provisional, as local planning authorities are learning to do. Further improvements to access to documents on the Thames website would also help transparency, as would reporting the progress of metering and supply leakage control. New communication initiatives to help consumers on water efficiency would also be a logical extension of the engagement thus far. These actions would all lead to a better discussion of long term options during the five year investigations process.

##### 2. HOW FAR DO YOU AGREE OR DISAGREE WITH THE ASSUMPTIONS WE HAVE MADE IN DEVELOPING OUR FORECASTS

We note that customer usage forecasts are not reduced in line with either Environment Agency forecasts or experience in Europe. We have noted in 3 above that we think

Thames should be doing more to show customers how to use less water, and if this was done the forecast usage should then be even lower.

We also note that population forecasts and the forecast of homes to be supplied are based on plans : Local authority and London plans. While we understand this is in line with Guidance – as the WRMP09 was in line with the South East plan targets – the real demand will come from the actual number of housing completions and the shared occupancy levels in London and elsewhere. As all housing plans are inflated by the requirement to identify a 5 year land supply and largely ignore existing planning permissions this leads to an overestimate of demand. This is structural excess demand forecast arising from the guidelines. It is very important that infrastructure proposals do not assume these numbers are actual. We suggest that there is a monitoring check on these assumptions so that when WRMP 19 is prepared the actual figures can be used.

We note that the dWRMP uses the Environment Agency (EA) guidelines for the amount and timing of sustainability reductions. While we share some of Thames' frustration that the WFD requirements are being pushed back we agree that the EA guidelines have to be the correct figures to use., and we agree with Thames implied comment that when the abstraction regime is reformed there could be further significant changes for dWRMP19.

3. HOW SATISFIED ARE YOU WITH THE RANGE OF RESOURCE AND DEMAND MANAGEMENT OPTIONS WE HAVE CONSIDERED AND THE PROCESS WE HAVE FOLLOWED.

We welcome the wide range of options considered, but for the reasons set out above we have concerns that the amount of demand management including leakage control and efficiency support is less than it should be to meet customer feedback. We also have concerns that the process followed is not taking sufficient account of the need to work on a great deal of negotiating detail with other companies and the EA to realize the strategic water transfers and canal transfer opportunities. We also think the process may have an unbalanced and theoretical, rather than practical assessment of risk which will mitigate against progress on reuse options.

4. WHAT IS YOUR VIEW OF THE WAY WE HAVE EVALUATED OUR DRAFT WATER RESOURCES MANAGEMENT PLAN INCLUDING FACTORING IN S.E.A AND HABITATS REGULATION

We fully appreciate the regulatory and business imperative to propose a best value plan. That is why the costing, partnership and risk assessment elements noted above are all so important : we would like to see these tested and challenged more than they have been thus far. We take it as given that any particular part of the plan requiring an SEA will have one with appropriate alternatives being considered. Likewise an Appropriate Assessment (AA) will be undertaken if required. We would expect this to apply to most if not all of the long term options that emerge from the five year assessment process. However we also note that the assessment of SEA and AA should be a direct application of SEA and AA best practice not mediated or abbreviated by UKWIR guidelines.

5. HOW FAR DO YOU SUPPORT OR OPPOSE OUR DRAFT WATER RESOURCES MANAGEMENT PLAN, AND ARE THERE AREAS FOR IMPROVEMENT

We set out above that we are broadly supportive of the framework of this plan, but we have concerns which we have set out about each of the elements : that the demand

management is un-ambitious , that the demand forecasts are overestimated; that there are questions about the costing of transfer options and about the over estimate of risk in recycling. Provided a more ambitious plan is put in place for metering and leakage control, these are otherwise areas for improvement which could be addressed by adding monitoring and feedback of actuals through the plan's duration, and by including the cost and risk issues as specific parts of the investigations of long term options. In our view, apart from the metering and leakage issue, this would be preferable to a major delay to this plan as occurred and was needed with WRMP09. However we would strongly recommend that the other concerns we have raised are addressed in the work plan.

6. HOW FAR DO YOU AGREE OR DISAGREE WITH OUR PROPOSALS FOR METERING

As set out above we think these are un-ambitious as should be strengthened: to be more in line with what other companies are achieving , to take account of the smart meter reading technologies now available and because there is a real synergy now between metering and leakage control.

7. HOW FAR DO YOU THINK WE NEED TO CONTINUE TO EXPLORE THE OPTIONS OF REGIONAL WATER TRANSFERS, STORAGE AND WASTE WATER REUSE TO MEET FUTURE SUPPLY CHALLENGES

We think all of these should be explored to establish a long term future strategy which is more resilient to climate change, and water stress across the South and East of England, and to provide for the corrections needed in the near future to meet WFD requirements. We think the future will be a mix of approaches to be itself resilient and to reflect the results of mutual need and cooperation between water companies. We strongly urge OFWAT, the DWI and the EA to help facilitate a resilient future for water supply with a large element of water recycling.

8. HOW FAR DO YOU AGREE OR DISAGREE WITH THIS OVERALL WATER RESOURCES STRATEGY CONSIDERED FOR THE SOUTH EAST

We strongly support a regional approach to water supply in the South East, and urge that regulatory solutions be found to secure greater cooperation in areas where water supply is in different ownership from waste water management. This applies to Thames , but also to other water companies in the South East notably Southern.

CPRE JULY 2013