



Water Resources Stakeholder Forum, 5 July 2016

Note of meeting

1. Welcome and Introductions

Richard Aylard welcomed everyone to the meeting. Richard emphasised the importance of the Forum for Thames Water (TW) to share the work underway to develop its long term water resources plan and to hear the views and comments from stakeholders. Richard highlighted some of the key developments since the Forum held in April, these included:

- A technical stakeholder meeting held in May to provide an update on work to examine demand management and resources options.
- A technical stakeholder meeting held in June on the Lower Lee Investigation. At the meeting the programme was agreed, as well as monitoring and next steps.
- Consultation on the Strategic Environmental Assessment (SEA) scoping report for the Drought Plan. The consultation ran for 5 weeks and closed on 7 July. The scoping report sets out how TW will undertake the SEA.
- At the end of May our updated work programme, accompanying report and stakeholder programme were published www.thameswater.co.uk/wrmp. The next update will be at the end of August.
- In May the EA published the joint regulator guidelines for WRMP and guiding principles, which are important in providing the framework for the development of WRMPs.
- In April our Trading & Procurement Code was published. This sets out the policies, principles and requirements that will apply when appointed water companies and third parties trade with TW. Anyone interested in trading with TW should consult this Code and contact us for more details.

2. Understanding the views and preferences of our customers

The morning session focused on our customers. We want to understand the views and preferences of our customers and ensure these inform decision making on our future plans for water resources. Andrew Burton set out engagement undertaken to date and the key themes which emerged from this. Jamie Elborn then covered our plans to engage with customers on water resource matters.

Centre for Ecology and Hydrology: Customers take water for granted and are not well informed about where water comes from. Should TW be working with schools, and developing partnership projects such as the WWF “Save Water Swindon” project?

TW: We have an active education programme, we have 6 education centres, which are attended by over 600 school children every year, and we also run a community speaker programme with over 50 staff trained to give talks to school and community groups. TW is also involved in several partnership projects, for example TW is working with Groundwork to engage with customers as the metering programme rolls out and is also working well with Action for the River Kennet (ARK). TW is keen to replicate this type of project.

Cotswold Canal Trust: What level of detail will you go into with customers? If you include the transfer option it will generate interest.

TW: We are working with Britain Thinks, a specialist research and engagement agency, to design and run interactive customer engagement sessions to ensure TW understand the views and priorities of

customers. The interactive session will review some of the materials that we plan to use with customers and as you will see, transfers are part of these.

Sutton and East Surrey Water: Leakage is always high on customer's agenda. How are you exploring leakage to get customer's views on this topic.

TW: Previous engagement has shown leakage to be a key topic that is important to customers and we plan to explore leakage with customers as part of the research planned.

GARD: Engagement and education can only be a good thing, but what do you want to achieve?

TW: We want to understand what our customers think and what their priorities are, and will use this information to inform our future plans. For example in our last plan we proposed further activity to reduce leakage, beyond the economic level, in response to the views of our customers.

Interactive session

TW has appointed Britain Thinks to lead the engagement work with customers on water resources. Britain Thinks facilitated an interactive session to share the planned approach to deliberative customer research on water resources and then focused on some of the draft engagement materials on demand management and resource options and sought feedback on these. The session was really useful and key points discussed are noted below. Where the comment was raised by a single stakeholder, the comment is attributed; where comments were raised by multiple stakeholders or developed in discussion, these comments have not been attributed.

General views on the format of the show cards

- Overall the show cards were considered to provide a clear and simple presentation of options, albeit with some refinements.
- The criteria used to present the characteristics of each of the options need to be clearly explained to ensure consistency in understanding.
- Specific points on the criteria:
 - Resilience: The definition for this was not well understood and needed clearer explanation
 - Environment: Information should be presented in the same format as the other criteria or it may not be considered on an equal footing.
 - Yield: It might be more meaningful to express this as the number of people who can be supplied with water rather than MI/d.
 - Cost: The star system was considered to be confusing. Alternatives proposed were a slider bar from most expensive to less expensive or change to a £ symbol. Also it was queried whether it was important to separate capex & opex, bill impacts might be more meaningful for customers.
- The star rating system generated a lot of discussion, it was considered to be counter intuitive. Alternatives proposed was a double-sided bar chart or red/green colour coding.
- 'Extra considerations' should be changed to 'Risks and opportunities'

Water Transfer

- Stating that the transfer would be from Wales was considered to be politically sensitive.
- The option should be described as transfer and storage as this is more honest. (Essex & Suffolk Water)

- Biosecurity was raised as an issue of significant concern, as was the potential impact on native species (Cotswold Rivers Trust and CPRE)
- Positive environmental impacts should be recognised including maintaining summer river flows and protection of vulnerable water supplies.
- Confidence in the availability of water when needed was raised and potential impacts on the 'donor' area need consideration. (CCG)
- The canal system would provide leisure facilities, but there would need to be reassurance that the impacts of restoring the canals have been fully considered. (ARK)
- The potential for regional benefits afforded by a transfer were raised. TW explained that it would benefit companies that currently abstract from the River Thames (Essex & Suffolk Water)
- There are many studies available on the environmental impacts of huge linear pipeline projects that would be useful for TW. (CCG)

Desalination

- Desalination has the potential to alter the chemistry of the water that returns to the upper river and the lowered mineral content of the desalinated water may have an impact on water pipes and the wider system over the long-term and so it shouldn't be described as an endless supply of water. (Essex & Suffolk Water)
- Queries were raised over the salt produced and the disposal of this. (CCG & Cotswold Rivers Trust).
- Recognising this is an energy intensive option, the potential for the use of renewable energy was raised. TW explained that the current desalination plant uses biodiesel. It was proposed that the principle of using sustainable energy sources should be highlighted. (Oxfordshire County Council)
- One stakeholder suggested that desalination is a good solution, providing the environmental and energy impacts can be addressed (Cotswold Rivers Trust).
- The view that it only benefits London was raised, that said desalination was preferred to water transfer. (ARK)
- Desalination could be seen as quite appealing but didn't consider that desalination should be a sole supply (CPRE).
- TW need to make it clear that some of the options are not single options and would need to be combined with other options. (Oxfordshire County Council)

Groundwater and aquifer storage and recovery

- Groundwater and aquifer storage and recovery were considered to have different characteristics and therefore should be presented separately.
- The potential environmental impacts of groundwater abstraction should be recognised. (CCG, CPRE & Cotswold Rivers Trust)

Reservoir

- The sheer physical scale of a reservoir versus a pipeline, for example, should be highlighted.

Reuse

- There was discussion around how to describe the process to customers. One view was that we would be deceiving customers if we didn't prominently include the word sewage. A counter view was that the comparable quality of the water should be presented.
- The inclusion of community level grey water schemes were proposed as an additional option.

Catchment management

- There was confusion around catchment management with stakeholders unclear how quality can limit water resources.

Demand management - general

- It was agreed that it is important to set out current activity as this is important context for ongoing discussion.
- The integrated approach, with metering as an enabler for targeted leakage, water efficiency activity and tariffs, needs to be articulated.
- It was queried whether the order of the show cards influenced the discussion and output.

Leakage

- Clear contextual information is important to frame the discussion i.e. what activity is already underway, base activity to maintain current levels of leakage, and then additional activity to reduce leakage. Clear presentation of the concept of the Sustainable Economic Level of Leakage to ensure customers understand that leakage reduction is not a “free” option.
- The need to include comparative information was highlighted when performance data is presented (Ofwat)
- Lead time was agreed to be long as it is not an option that can be switched on/off.
- The inclusion of the statistic that 25% of leakage comes from customers’ pipes was challenged and considered too stark.

Water efficiency

- Good citizen and environmental messages are not sufficient for most people.
- The messages only resonate at certain times of the year.
- The differentiation between theoretical savings and actual savings is important for the industry in terms of the benefits provided.
- Tariffs need to be socially progressive.

LUNCH

In the afternoon session TW presented updates on the WaterUK long term planning framework, progress to assess resource and demand management options and the Drought Plan.

3. WaterUK Long term planning framework

In March 2016 Defra published a report titled “Enabling resilience in the water sector”. The report included a “resilience roadmap” which set out the various strands of work planned and underway to enable resilience. One of the components of the roadmap is the WaterUK led study to look at the long term planning framework for water resources. Chris presented the aims and scope of the project and touched on some of the emerging themes, although this is work in progress and the intention is to publish the report at the end of August.

Albion Water: The Netherlands plan water resources on the basis of 1:2000 years, flood management in the UK uses 1:1000 years; therefore to use 1:200 or 1:500 year scenarios for water resources planning seems reasonable.



GARD: Are all TW's assessments of deployable output (DO) reducing? Is there an opportunity to change the baseline for the Lower Thames Control Diagram (LTCD) to provide additional DO? GARD's assessments consider that this is feasible.

TW: We have reviewed and revised the LTCD in consultation with the Environment Agency and stakeholders. This has provided an increase in DO. However this modification will not be sufficient to address the scale of the deficit forecast in London and Thames Valley, development of resources will be needed to ensure secure water supplies.

GARD: You are multiplying population growth, climate change and unknown sustainability reductions from abstraction reform, and therefore presenting an exaggerated scenario?

TW: We do not include unknown sustainability reductions in the development of our plan, in line with the Water Resources Planning Guideline, so in reality the situation is worse.

Centre for Ecology and Hydrology: Natural rivers are more resilient to abstraction than managed rivers and therefore river restoration could be helpful.

TW: The River Thames is a heavily modified river such that that river restoration is unlikely to have a significant effect.

4. Update on demand management and supply options

Anwen and Afzal then presented updates on work to examine demand management and supply options. A further technical stakeholder meeting (TSM) is planned for October to cover these topics in more detail.

Cotswold Canal Trust: Will we have time to view the documents before the TSM in October? And will we need to visit TW offices to view the detailed reports?

TW: We have been advised that we are unable to include detailed site specific information in reports that are published in the public domain, this is a national security requirement. We therefore will publish summaries of reports but more detailed information will be available to view in our offices.

Sutton & East Surrey Water: Can you provide an update on work to examine Severn Thames Transfer and reservoirs.

TW: Detailed work is progressing on both the raw water transfers and the reservoirs. On the transfers, the water quality and ecology study has indicated that it is highly likely that taking water from the Severn and putting it in the Upper Thames will cause Water Framework Directive failure and consequently any transfer would require mitigating actions. Discussions are continuing with both Severn Trent Water and United Utilities on the transfers and these conversations are considering the issue of water availability and implications during drought periods. Feasibility reports will be produced on each of these options, and the fine screening report will be issued in September.

Update on Drought Plan

Chris provided an overview of activity to update the Drought Plan and focused on the work underway to better understand and plan for severe droughts using stochastically generated droughts.



CCG: You meet your leakage target ever year, are they sufficiently challenging?

TW: We can confirm that the leakage target is extremely challenging. The target is set as a rolling annual average, during the winter when water temperature falls leakage can increase substantially. This year we were helped by a warm winter but when cold water enters our pipes it can be very damaging. We spend lots of time identifying and fixing leaks – if we stopped fixing leaks leakage levels would increase by around 75%, so we are running to stay still.

Centre for Ecology and Hydrology: Could you use a pipeline to move the water from the River Severn to London?

TW: Water is heavy and expensive to move, the River Thames provides a natural gravity conveyor. Furthermore in transferring water via the river it can help to maintain flows in rivers and provide resource to other companies in the south east.

CCG: How can customers' determine the correct level of risk that a water companies should plan for?

TW: We agree that this is a very difficult point for them to answer. We think it's a strategic question but we have to ask customers. We recently met the National Infrastructure Commission and they considered that it is their job to advise Government on the need for long term infrastructure planning.

CCT: Customers in Cheltenham and Gloucester experienced the use of bowsers within the recent past, it would be interesting to hear their views.

Wessex Water: Definition of return periods is very difficult, how have you approached this?

TW: The stochastically generated drought work enables us to understand return periods. WaterUK have also presented return periods in a helpful way - % failure in x years.

Dates for future meetings

6 October 2016: Technical Stakeholder Meeting on options (Clearwater court, Reading)

27 October 2016: Water Resources Forum (Novotel, Paddington, London)

8 November 2016: Technical Stakeholder Meeting on programme appraisal and specifically refined metrics and scenario definition (Clearwater Court, Reading)

Forthcoming consultation:

Strategic Environmental Assessment (SEA) scoping report on the Water Resources Management Plan (25 July- 7 September)

Attendees:

| Name | Organisation |
|----------------------|----------------------------|
| Andrea Farcomeni | Affinity Water |
| Anne Heal | CCG |
| Anthony Whittaker | Swindon DC |
| Charlotte Hitchmough | ARK |
| Chris Hutton | Wessex Water |
| Dave Wardle | ICE |
| Derek Stork | GARD |
| Harry Hodgson | CCG |
| Helen Charlton | CCG |
| Helen Tidridge | Natural Resources Wales |
| Karen Gibbs | CCWater |
| Henry Oliver | North Wessex Downs AONB |
| Kay Lacey | CCG |
| Ken Burgin | Cotswold Canal Trust |
| Lester Sonden | Sutton & East Surrey Water |
| Linda Currie | Oxfordshire County Council |
| Liz Cornwell | Bristol Water |
| Malcolm Jeffery | Albion Water |
| Mark Fitzsimmons | United Utilities |
| Martin Lunn | Essex & Suffolk Water |
| Mike Acreman | CEH |
| Peter Walker | Cotswold Rivers Trust |
| Richard Harding | CPRE |
| Richard Hatch | Ofwat |
| Richard Wyatt | Oxford City Council |
| Sarah Wardell | Environment Agency |
| William Mackveley | Severn Trent Water |

Apologies

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|-----------------|------------------------------|
| Caroline Knight | DWI |
| Neil Edwards | RWE Generation UK |
| Peter Gray | Royal Berkshire Fire Service |

LT,15 July 2016