



## Water Resources Forum, August 2018

# Briefing paper: Update on our draft Water Resources Management Plan 2019

### Introduction

There are substantial and complex water resource challenges in London and across the wider south east and planning for a resilient and sustainable water supply in the long-term is essential for society, the environment and the economy. We developed our draft WRMP19 over an 80 year planning period, from 2020 to 2100, to ensure we can provide our customers with the best value over the long term. We designed our plan to satisfy three main objectives:

- to provide a secure supply of water for our customers addressing the supply demand deficits that we forecast in our region;
- to improve resilience to a severe drought; and
- to look beyond the needs and opportunities of our supply area alone and take into account the growing needs of the wider south east of England. We have worked with neighbouring companies in the south east of England to ensure the most effective and efficient outcome for all customers across the region.

### 1. Feedback from the public consultation

We published our draft WRMP19 for public consultation on 9 February 2018. The consultation closed on 29 April 2018. We received over 530 responses to the consultation, as well as feedback from customers via our online panel, interactive tool and bespoke research sessions. We are currently drafting our response to the representations submitted as part of the public consultation and intend to publish this report, with the revised draft WRMP19, in early September 2018<sup>1</sup>. A summary of the main issues raised in the responses received to the consultation is presented in Table 1.

Issue	
Population and property forecasts	There were a number of comments on the population and property forecasts. A number of local authorities queried whether updated projections had been taken into account in the forecasts. The robustness of the short term and long term forecasts was also challenged.
Protection of chalk streams	A large number of stakeholders expressed their concerns about existing abstractions impacting on chalk streams. They did not consider that the plan reflected the aspiration to protect vulnerable chalk streams - that it did not go far enough, did not move fast enough, and was not clear enough about what steps would be taken.
Leakage reduction	Some stakeholders questioned if the leakage reduction target was sufficiently ambitious, whilst others raised concerns about over-reliance on leakage reduction, and the risks around this for customers and environment. There were requests for further information on how the leakage target will be achieved, in light of recent performance. In addition, a number of consultees requested information on the company's longer term ambition for reductions in leakage.
Demand management	There was strong support for demand management, with some stakeholders calling for more ambition. The proposed reduction in average Per Capita Consumption (PCC) was challenged by some stakeholders who called for more stretching targets. There was a request for further information on the plans to deliver and monitor the implementation of the metering programme to provide confidence in delivery.

<sup>1</sup> We had intended to publish the Statement of Response on 10 August 2018 but have agreed with Defra to publish it alongside the Business Plan and revised draft WRMP19 on 3 September 2018 to ensure a coordinated approach with our Business Plan and with other water companies across the south east region

Planning at a regional level	Overall stakeholders supported the work of Water Resources in the South East Group and the objective to co-ordinate water resource planning at a regional level. Ofwat expressed disappointment that the draft plans in the South East appeared to miss the opportunity to secure the long term resilience of the region and asked Thames Water, and the other water companies, to work together to address challenges in the South East.
Abingdon reservoir	There was both strong support and strong opposition for a new reservoir. Supporters focused on the benefits that the reservoir could provide in helping to protect the environment, particularly chalk streams, provide increased resilience to drought/flooding and recreational benefits. However there was also local opposition with concerns raised about the impact on the local environment and local community.
Teddington Direct River Abstraction	There was significant opposition to this scheme from a number of stakeholders; their main concern was the impact on river ecology. The potential environmental issues were considered to be particularly concerning because they raised question marks about the feasibility of an important and early element of the draft plan. The Environment Agency (EA) set out a list of recommendations and the further work required to ensure legal compliance and that the scheme does not cause an unacceptable impact on the environment. Abingdon reservoir opponents were the strongest supporters of the scheme.
Severn Thames Transfer	There were a number of comments on the water transfer, both positive and negative. A large number of responses were received from supporters of the Cotswold Canals challenging Thames Water's preference for a pipeline rather than the canals as a conveyance route. Ofwat and the EA set out their expectation that further work should be undertaken on the Severn-Thames transfer.
Environmental assessment	There were a number of comments on the environmental assessments. These included specific comments on aspects of the Strategic Environmental Assessment (SEA), the Water Framework Directive assessment and the need to ensure current operations and future options do not cause deterioration.
Programme development	There were a number of comments around the accessibility and transparency of the decision making process adopted for plan development including the contributions of the Expert Panel and the metrics used in the decision making process. There were also comments on the scenario analysis, in terms of the range of scenarios tested and the outcomes of this work.

## 2. Revising our draft Plan

We have made revisions to our draft WRMP19 in response to feedback received via the public consultation, and new information. A summary of the main changes are as follows:

- changes in long-term population forecasts (post 2045)
- the increased magnitude of leakage reduction to 50% by 2050, in line with the recommendations of the National Infrastructure Commission's report<sup>2</sup>
- removal of the Teddington Direct River Abstraction option. We have undertaken further work since publication of our draft WRMP to address the ecological need for mitigation of temperature effects of the DRA option on the freshwater River Thames and estuary, and examined potential mitigation approaches. Following discussion with the EA on the findings of this work, both parties agree that compliance with WFD objectives of a Teddington DRA option remains very uncertain. Uncertainty relates to the required extent of temperature mitigation and our research to date has not been sufficient to satisfactorily determine a viable mitigation option to deliver this. In consequence, the Teddington DRA option is no longer considered a feasible option in the revised draft WRMP at this time.

<sup>2</sup> National Infrastructure Commission, Preparing for a drier future England's water infrastructure needs, April 2018

These are all changes that have arisen since our draft plan was originally prepared in 2017 and we recognise that these revisions potentially represent material changes in comparison to the draft plan. We have aimed throughout the process of preparing the plan to ensure that stakeholders have the opportunity to give their views and influence the way in which our plans develop, and in line with that approach we will undertake further consultation and seek your views on the proposed changes. This exercise, which will take place in the autumn, will be limited to these areas of change, and not the plan as a whole. We will explain our approach to this further consultation and engagement at the Forum.

### **Proposals to 2030**

In the next 10 years our revised draft WRMP19 sets out our proposals to make the most effective use of the water resources that we have available, with a focus on leakage reduction and supporting our customers to use water efficiently through smart metering and innovative engagement. It will set out our ambition to reduce leakage by 15% over the next 5 years from 2020-2025 and to halve leakage by 2050. This addresses comments raised during the consultation process and aligns with recommendations set out in the National Infrastructure Commission's report about England's water infrastructure needs, published in April 2018. Whilst there is wide support to reduce leakage and manage demand, there is recognition of the risk of over-reliance on these measures. We believe the prudent approach is to develop new resources in combination with demand management to ensure a secure water supply and environmental resilience. In view of the additional activity to reduce leakage and the removal of Teddington DRA, our revised programme up to 2030 will comprise an increase in demand reduction, a small potable effluent reuse scheme (Deephams 45 MI/d), innovative groundwater development (approximately 30 MI/d) and a third party water transfer scheme (Oxford Canal transfer 15 MI/d). This programme will ensure enhanced resilience to severe drought from 2030.

### **Beyond 2030**

In the longer term a strategic resource will be required. We are working with neighbouring water companies to understand their requirements for water and ensure that our revised draft plans align across the WRSE region. Affinity Water has confirmed its need for 100MI/d of water in 2037 from a strategic resource.

We have completed detailed work to examine different options, this work has concluded that a new reservoir is the most cost effective strategic resource, as well as providing resilience to drought and opportunities for wider benefits to the local community and the environment. The reservoir could, with additional network connections, provide the water needed to reduce abstractions from vulnerable chalk streams – putting natural capital into practice. Furthermore it is the option that is most preferred by our customers. The reservoir would be jointly promoted by Thames Water and Affinity Water and provide a storage and transfer hub for the wider south east region.

There has been much focus on building a regional or national network and using this to transfer water. We have looked at transfers of water from Wales, the Midlands and North West but a large transfer is not proposed at this time for a number of reasons:

- cost - it is a more expensive option than the reservoir
- reliability - it is much higher risk in terms of guaranteeing water availability when needed during periods of drought and low flow
- increased algal risk affecting water availability and other water quality issues that need examination
- transfers are our customers' least-favoured solution

We are continuing work to examine transfers via the River Severn, there are a number of aspects to this work including (1) understanding the magnitude of water losses that could occur during transfer, (2) the environmental and water quality issues associated with the water transfer and (3) the changes that would be required to the regulation of the River Severn. We have recently completed customer research in collaboration with United Utilities and Severn Trent Water to examine customer views on trades/transfers to ensure concerns can be fully addressed if a transfer is promoted.

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