

Project:	Defra consultation: improving our management of water in the environment	To:	PMB, ECB
Subject:	WRSE response	Created by:	Meyrick Gough and others
Date:	8/03/2019	Version:	V3

Improving our management of water in the environment – WRSE consultation response

NB This is an on-line consultation which means the answers to the questions will be cut and pasted into our response. Link to consultation webpage: <https://consult.defra.gov.uk/water/improving-management-of-water-in-the-environment/>

The WRSE will respond to consultation questions 1-10 only.

The consultation closes on 12 Mar 2019

Questions

1. *What is your name?*
2. *What is your email address?*
3. *If you are responding on behalf of an organisation, please add their name below.*
4. *Would you like your response to be confidential?*

Questions: Impacts of measures

5: Do you have any specific evidence that you think could assist Defra in our assessment of the costs, benefits or other impacts of these possible measures? If yes, please provide details.

The alliance of water companies that make up the Water Resources in the South East (WRSE) has been responsible for commissioning and deriving several regional plans and strategies over the last 20 years, which have been used to inform individual company Water Resources Management Plans (WRMPs). We could provide data to Defra on the costs associated with planning at a regional level together with the costs of developing company-specific WRMPs and supporting documentation.

Our current report sets out the range of solutions that have been developed which show how the South East can meet the future challenges. The April 2010 report demonstrated how the regional plan could find a solution which was more cost effective than if the Companies alone developed such a plan, which demonstrated the value of a regional approach.

WRSE has committed to move from developing a water company only regional strategy to a multi-sector regional resilience plan. This will enable consistent approaches in methodologies to be implemented across the region and sectors; whilst reducing some of the work load on companies by commissioning regional studies which the individual participants can use in their own organisation. Therefore, minimising the need for repetition, enabling greater consistency between companies and to deliver cost efficiencies.

This data would be available to Defra on request.

6: Do you agree that the Secretary of State should be able to direct companies to plan on a regional and inter-regional basis? Please provide reasons.

We agree that the Secretary of State should be able to direct companies to plan on a regional basis, if required, where the regions have been defined. It is important that the regions and the water companies which belong in each is clear and consistent, not least to ensure that the supply demand balance can be accurately derived and the areas of both water surplus and deficit are understood.

Whilst the potential to plan on a larger scale is possible, it would add complexity, time and increased costs to companies. In particular, those companies joining a group of other companies and sectors which use more complex planning methods would have to undertake complex further work in a short period of time in order to provide the data

required to be used in these approaches. For example, the West Country Water Resources regional group do not need to develop a complex, expensive regional plan to the same level of sophistication as the WRSE region.

Additionally, it is important that the statutory water resource planning process is followed as failure to do so could lead to complications when a scheme is promoted at an inquiry. If companies are directed to work together to promote a specific scheme, it could be seen to be pre-empting the WRMP process and may be criticised by external parties as a biased selection process. Legislation clearly states that the need for a scheme must be identified through a WRMP and the recent draft NPS restated this.

We believe that working within the identified regional boundaries, which either align to the catchment-based water authority boundaries or are an amalgamation of two water authority boundaries, would be the best approach for the next round of plans up to 2024. This will also enable alignment with environmental objectives as catchment schemes can be derived for the entire catchment and not just part of it.

If plans are developed on a regional basis then their status will need to be clarified, particularly if the regional plans need to be consulted on, or the measures identified in the plan become a legal measure.

7: Do you agree that the Secretary of State should be able to direct water companies to take account of other abstractors' needs? Please provide reasons.

Regional plans should take account of the requirements of other water users within the defined region. This will enable a more systems-based approach to increasing resilience to be taken that should lead to the identification of more integrated and robust solutions that deliver greater value for all involved, including the environment.

It is important to recognise that different sectors will be in different positions with regard to their level of understanding about their future needs and their ability to contribute and deliver aspects of a regional plan.

Initially the biggest hurdle with this approach will be the development of the current base data position for the other sectors and the development of the longer-term forecasts. This data collection will have to be aggregated by a suitable authority in order not to compromise any data protection issues, but this is technically feasible to undertake albeit the initial forecasts are likely to have wider margins of error than a typical population growth forecast and therefore it will be critical to take these errors into account when planning.

It will be important that as the multi-sector approach develops, the National Framework has flexibility, so we identify lessons learned and share success and failures and that regional groups are able to apply this to their future work. How these schemes are funded would require further clarification but at least, from a planning perspective, the regional approach could take account of the requirements of the other primary water users in a catchment, including the needs of the environment.

Some consequences of planning for resilience in this multi-sector manner will arise which will have to be resolved. For example, it will require us to plan more holistically for the management of extreme droughts which is likely to result in some water sources and users being prioritised over others to maintain critical supplies.

8: Do you agree that the water resources management planning process should be recognised in legislation as a measure to deliver environmental objectives? Please provide reasons.

We believe that recognising the outputs from a water resource management plan or regional plan, if this becomes a statutory plan, should be recognised through a legal measure(s).

However, we would propose two forms for these legal measures are considered:

- 1) An outcome-based measure for schemes such as leakage reduction and PCC targets; and
- 2) A specific legal measure for regionally significant schemes.

This approach would allow some measures to be put in place to provide flexibility for companies to meet outcome-based targets and incorporate new technology as and when it becomes available. Whilst at the same time providing the certainty that the regionally significant schemes that have been identified will be developed. Therefore, we do support legal measures being put in place, but we would suggest that a two-tiered approach is adopted.

9: Do you agree with our proposals to improve the legislation governing Water Resources Management Plans? Please provide reasons.

Companies already undertake pre-consultation engagement with government and regulators, as well as with customers and key stakeholders on a voluntary basis which is used to inform the development of the WRMP. Therefore, formalising this part of the process would not be a significant additional piece of work for many companies and would bring greater consistency across companies. However, formalising this part of the process would imply that

additional statements of responses and fixed consultation timescales would have to also be defined and this would add to the current timescales and administrative activities of each of the companies.

Therefore, if this element of the process is to become a statutory part of the process, then measures should be put in place to reduce any additional duties a company would need to administer to comply with this part of the new process. It will also be important to establish what engagement and consultation takes place at company level and regional level. There is potential for duplication and inefficiency if this is not clear and will lead to inconsistent approaches being taken.

10: Do you have any further suggestions about how we could improve the primary legislation that governs water resources management planning? These could be either administrative improvements, such as how confidential information is dealt with, or to achieve better water resources outcomes. Please provide reasons for your suggestions.

The development of a water resource management plan was primarily to demonstrate how a water company would meet its statutory obligations. The focus of the plans has now grown, and they also provide the base information for planning applications as well as demonstrating how it will improve the resilience of a region whilst at the same time meeting the needs of the environment, the economy and society.

In order to develop these plans, it is critical that the long-term needs of the environment and society are stated for the next 25 years, at a minimum. This will ensure that companies can ensure that the plans they develop can reflect the next 25 years and solutions can be developed which better address these requirements. Therefore, we have identified a number of areas we believe need to be addressed so we can optimise how we plan. They include the following.

- 1) Making it compulsory for Defra river basin management plans to include a 25-year forecast of the improvements required for the catchments as well as stating a natural capital value of abstracting a cubic metre of water from the catchment or water body;
- 2) The government publishing a minimum resilience standard around extreme weather events which sets out what society requires, both now and in the future. By defining a minimum standard, it will still allow customers with the flexibility to enhance this standard if they wish to do so;
- 3) Aligning the various planning cycles to enable a faster execution of measures for the environment, e.g. the WFD uses a 6-year cycle whilst the WRMP, drought plans and business plans operate on a five year cycle;
- 4) Providing better guidance on the point in the process when an inquiry into the need of a scheme is best timed. Currently the need for the scheme could be subject of inquiry in the WRMP and it could be repeated when a scheme is promoted for planning permission. Whilst both processes are required, it should not be necessary to hear the same case of the need for the scheme twice. Therefore some guidance or planning policy statement to avoid this duplication would be welcomed.
- 5) If the proposal to make WRMP measures legally binding is not taken forward then some back-stop position is required to ensure that measures identified in the WRMP process are recognised and funded in business plans. Currently measures identified in both WRMPs and drought plans are subject to discretionary decision making regarding funding and can be struck out by Ofwat despite their being derived through a statutory process.
- 6) Ensuring that regional plans are developed on a consistent basis from 2025 onwards to ensure that the correct national infrastructure is developed in enough time to meet the requirements of the environment and society.

These additional points would help with the overall planning process and improve the management of water across the country.

Questions: Drainage and Wastewater Management Plans

11. Do you agree that Drainage and Wastewater Management Plans should be made statutory and produced every 5 years?
12. Who should a water company consult with, and obtain information from in developing their Drainage and Wastewater Management Plans and at what stage in the development of their plans?
13. What, if any, are the lessons we could use from the Water Resources Management Planning process in making Drainage and Wastewater Management Plans statutory?
14. Is the current non-statutory Drainage and Wastewater Management Plan framework clear and complete, and are there any changes/lessons learnt which we should take on board in making the process statutory?

15. Should there be government or regulator oversight in the Drainage and Wastewater Management Plan process and review of plans? What level and type of oversight should this be?

Questions: Water Abstraction

16. Do you agree that the Environment Agency should be able to vary or revoke any licence that is causing unsustainable abstraction without paying compensation?

17. Do you agree with our proposal to link unsustainable abstraction to various environmental duties as set out in this consultation?

18. Should the Environment Agency be able to vary under used licences in the case of unsustainable abstraction to remove the underused portion, with suitable safeguards to protect necessary headroom?

19. Should the Environment Agency also be able to vary under used licences where there is unmet need for additional water in the catchment, to remove the underused portion, with suitable safeguards to protect necessary headroom?

20. Should the Environment Agency be able to change any under used licence once necessary headroom is taken into account, irrespective of proportion of under use?

21. What do you consider is the appropriate length of time for a licence to be under used before the Environment Agency could use this power?

22. Do you think anything more is needed in primary legislation to deliver the aims of the Abstraction Plan?

Questions: Land Drainage: Internal Drainage Board Charging Methodology

23. Do you agree that the Land Drainage Act 1991 should be amended to enable a new charging methodology to determine special levies?

24. Do you agree that the Land Drainage Act 1991 should be amended to enable a new charging methodology to determine drainage rates?

25. Do you agree with the list of provisions that the alternative methodologies could include?

26. With regards to both these methodologies what could the impact of provisions (a) and (b) be and are there any issues that government should take into account before making the regulations?

27. Should the new charging methodologies include exemptions for existing Internal Drainage Boards? For example the new charging methodologies could apply automatically to all Internal Drainage Boards, or existing Internal Drainage Boards could remain on the existing charging methodologies or could decide between the new or the old charging methodologies.

28. Do you agree that there is a need for new or modified powers or mechanisms to raise additional local funding to manage local flood and coastal erosion risk management risks?

29. Do you have any views on how best additional local funding can be raised fairly to better manage these risks and which existing public body is best placed to take on this function?

30. Do you support legislating to enable the Somerset Rivers Authority to be formalised (as a flood Risk Management Authority with precepting powers)?

Questions: Modernising the process for modifying water company licence conditions

31. Do you agree with the case for modernising the way in which Ofwat modifies licence conditions?

32. Do you agree with the proposal to base a modernised model on that currently used within the energy sector?

33. Have you any other suggestions for a different model for licence condition modification?

34. Do you agree with the proposal to modernise Ofwat's information gathering powers?

35. Do you agree with the proposal to modernise the way in which documents can served, to include email?