



# **The National Infrastructure Assessment - Process and Methodology**

**A National Infrastructure Commission  
consultation paper**

# The National Infrastructure Assessment - Process and Methodology

## Introduction

1. The Consumer Council for Water (CCWater) is the statutory consumer organisation representing water and sewerage consumers in England and Wales. We have four regional committees in England and a committee for Wales.
2. We welcome the opportunity to respond to this consultation on the National Infrastructure Assessment - Process and Methodology. We are pleased to note that the long-term challenges presented to the water sector, and their potential interaction with various sectors, are acknowledged in the consultation.

## General Comments

3. CCWater supports the principles that will underpin the development the National Infrastructure Assessment (NIA), specifically the aspiration of it being open and transparent, forward looking and comprehensive - taking a whole systems approach to looking at interdependencies between different sectors, including water and sewerage.
4. Furthermore, it is reassuring that, as part of the process to develop the recommendations identified by the NIA, the National Infrastructure Commission (NIC) 'will need to identify solutions which are good value for money for those who rely on, and ultimately pay for, infrastructure'. We agree with this proposal, as it is crucial that infrastructure is built (and paid for) at a pace that customers (regardless of the sector) find acceptable and affordable.
5. We support the proposals of the NIC to identify and explore the most important interdependencies and resilience implications, as well as the cross cutting issues that affect the delivery and performance of infrastructure. This 'systems approach' will be a key aspect to move towards a resilient water sector, as it relies on energy, telecommunications and transport to deliver the levels of service customers expect.
6. Some of the issues highlighted in the consultation (i.e. governance, sustainability, funding and financing costs, resilience, and performance measurement) are already being considered in the water sector for the five-year planning and investment cycle (Price Review 2019). These issues are important to the water sector which will have an impact on the level of service provided and ultimately the bills water customers (household and non-household) will pay.
7. Resilience in the water sector is crucial given the fundamental importance to society of having access to safe, affordable and reliable water and sewerage services. Future infrastructure requirements, in relation to resilience<sup>1</sup> and long-term planning, are currently being examined by the water industry, as part of two Water UK led projects.

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<sup>1</sup> Resilience is the ability to cope with, and recover from, disruption, and anticipate trends and variability in order to maintain services for people and protect the natural environment now and in the future. Ofwat task and finish Group Final Report. December 2015. Available at: <http://www.ofwat.gov.uk/publication/resilience-task-and-finish-group-final-report/>

8. For water resources, the *Long-Term Water Resources Planning* project<sup>2</sup> will assess the potential solutions required (up to 2065) to achieve a resilient water sector against a backdrop of increasing population, climate change and need for environmental protection. These solutions could include a combination of increased interconnectivity of water companies' existing resources; water trading; understanding the impact of these options on other sectors and the wider economy; and the development and use of new storage schemes. Some of these options are highly relevant to this consultation.
9. For sewerage services, the *21<sup>st</sup> Century Drainage* project is looking at a 50-100 year time horizon for improving drainage systems so that they are able to cope with future demands placed on them through population growth, urban creep and the intense rainfall that is predicted to occur because of climate change. The project has several work streams, foremost of which are to increase drainage capacity, remove surface water flows from sewers where feasible, improve storm overflows, and reduce sewer misuse through customer information campaigns and other means.
10. We welcome the inclusion of water and drainage as part of the NIA to ensure that long-term plans are consistent with the needs and expectations of water customers. This is a timely message, given that water companies in England and Wales are beginning the preparations for the next round of Water Resources Management Plans (WRMPs) to determine their water resources needs to ensure a safe, reliable and affordable supply to their customers over the next 25 years. In addition, Ofwat's upcoming Price Review for water companies in England and Wales will set out and approve further investment in maintenance and enhancements, so that they can achieve their statutory duties towards customers and the environment.
11. These plans will take into consideration projections for population growth, climate change and a commitment to deliver a more resilient water sector, as well as customers' preferences and willingness to pay. Furthermore, we expect water companies to take into consideration the findings of both Water UK projects referred to above to find the best combination of water resources and sewerage investments (including infrastructure assets) that improve resilience and deliver best value for customers.
12. It is also reassuring to see that flood defences are highlighted as an important part of the NIA. This will benefit water customers from different perspectives - not only from reduced risk of flooding to their homes, but also due to the protection of critical infrastructure, which could be crucial for maintaining water and sewerage services.

## Cross-cutting issues

13. We support the need to look at future infrastructure requirements in a multi-sector way, as identified in paragraph 48 of the consultation. However, where assets could be shared between the water industry and other sectors, it is important to establish sound governance and funding arrangements to ensure that water customers are not paying for more than their share of the costs and, that these arrangements can take place within

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<sup>2</sup> More information available at: <http://www.water.org.uk/news-water-uk/latest-news/planning-long-term-update>

the specific planning frameworks for the water industry. The sustainability component will also be of importance, considering the environmental, social and economic commitments water companies need to meet.

## Key Infrastructure Drivers

14. The Key Infrastructure Drivers identified by the NIC has identified, are relevant to the water industry and its customers.

- **Population Growth** - as identified in the consultation, this is also an issue relevant to the water industry. Population growth as well as consumer behaviour towards water usage will have an impact on the long-term planning of water resources and related infrastructure. It also places an increasing pressure on sewerage infrastructure.
- **Economic growth and productivity** - the availability and reliability of water and sewerage services is a critical enabling factor for economic growth and increased productivity, whether in respect of new development, both household and commercial, or in respect of the expansion of existing commercial activities. It is also directly linked to ensuring the sustainability of food production and security.
- **Technology** - this is also an important component of the infrastructure used in and by the water sector. Not only in terms of enabling more efficient processes (i.e. energy use, reduced carbon emissions, better value for money) but potentially, in influencing consumer behaviour. For example, the use of smart water meters could encourage customers to use water more wisely.
- **Climate change and environment** - the projections of extreme events leading to flooding and/or drought could impact negatively on the security of the water supply and on the effectiveness of sewerage services that customers have come to take for granted. This, in turn, will present a resilience challenge for the water industry, not only in terms of providing secure water supplies, but also in protecting the environment when abstracting water and discharging (treated) wastewater. The consultation also poses a key question as to the levels of resilience that will be acceptable to deal with potential future extreme events. The answer to this question would need to consider the levels of risk companies (and customers) are prepared to accept, as well as customer preference, in terms of levels of service to be provided, and how much they are willing and able to pay.

It seems that in relation to climate change, the consultation is only considering mitigation measures and their associated effect in reducing carbon emissions. We would expect the water industry to combine this with the use of adaptation measures given the uncertainties associated with climate change forecasts, with a view to delivering more flexible and resilient systems.

## Finalising the NIA

15. We welcome the intention to publish a document setting out the Commission's proposed long-term vision, the priority areas for action and the option to address the needs

identified. In addition, CCWater supports the additional tasks that are expected to reduce the uncertainty associated with the long-term horizon of the NIA.

- **Modelling and Analysis** - the Commission's proposals to model 'portfolios' of interventions, looking at the interaction of different options is broadly in line with the proposals currently being developed by the water industry which is looking to develop options and scenarios looking at least 50 years into the future. We will watch with interest to see if (and how) the results from the Water UK projects are considered within the wider modelling sought by the National Infrastructure Commission.
- **Sector and geographical evidence reviews and detailed analysis of specific issues** - although the NIA will be looking at cross sectoral issues, it is encouraging that the analyses will also consider sector-specific issues, which are relevant to understand and address sector specific needs as well as interdependencies within and between sectors.

## Enquiries

Enquiries about this consultation response and requests for further information should be addressed to:

Dr Ana-Maria Millan  
Policy Manager

Tel: 07810 655309

Email: [anamaria.millan@ccwater.org.uk](mailto:anamaria.millan@ccwater.org.uk)