

# Response form

## Consultation on the Draft Water Resources Planning Guideline

### Your details

**Name:** Karen Gibbs

**When we come to analyse the results of this consultation, it would help us to know if you are responding as an individual or on behalf of an organisation or group.**

**Please select from the following options:**

Responding as an individual

**i** Responding on behalf of an organisation (*Please specify which organisation or group you are responding on behalf of and include what type it is e.g. business, environmental group*)

This is the response from the Consumer Council for Water. We are the statutory consumer organisation representing water and sewerage customers in England and Wales.

Other (*please specify*) \_\_\_\_\_

**Please tell us if you would like to (tick all that apply):**

**i** Receive an email acknowledging your response

**i** Receive an email to let you know that the summary of responses has been published

**If you have ticked any of the boxes above, please provide us with your email address:**

Email: karen.gibbs@ccwater.org.uk

**Put a cross in this box if you are requesting non-disclosure of your response. Please provide an explanation to support your request.**

**Please tell us how you found out about the Consultation on the Draft Water Resources Planning Guideline:**

- From the Environment Agency
- From another organisation
- Through an organisation you're a member of
- Advert
- Press article
- Social media e.g. Facebook, Twitter
- Through a meeting you attended
- Other (please specify)\_\_\_\_\_

## How we will use your information

The Environment Agency will look to make all responses publicly available during and after the consultation, unless you have specifically requested that we keep your response confidential.

We will not publish names of individuals who respond.

We will also publish a summary of responses on our website in which we will publish the name of the organisation for those responses made on behalf of organisations.

In accordance with the Freedom of Information Act 2000, we may be required to publish your response to this consultation, but will not include any personal information. If you have requested your response to be kept confidential, we may still be required to provide a summary of it.

## Returning your response

Your response to this consultation needs to be returned by **8 January 2016**.

We would like you to use this form if you are not submitting your response online. You can return it by email to **[water-company-plan@environment-agency.gov.uk](mailto:water-company-plan@environment-agency.gov.uk)**. Please use this email address if you have any questions regarding this consultation.

Or by post to:

**Alice Mahar**  
**Sapphire East**  
**550 Streetsbrook Road**  
**Solihull**  
**B91 1QT**

## **We welcome your views on the guidelines.**

Since the 2012 version we have made substantial changes to the guidelines including reducing the number of pages to less than 40 (compared to over 200 pages in 2012).

### **1a) Do you think the substantial changes that we have made have improved the guidelines since 2012?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

The changes made appear to build on the experience drawn from the previous planning rounds and feedback from water companies and other stakeholders from the sector. It is good to see the process evolving and encouraging good practice, new ideas and approaches.

We also agree that the big challenges - climate change, population growth - need to be considered over an appropriate timescale and therefore beyond the minimum requirement of 25 years.

### **1b) Do you understand why these changes have been made?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

**1c) Do you support the new guideline?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

We welcome the more flexible approach in the guidelines; the encouragement of innovation and a more strategic approach to planning that looks beyond company boundaries and outside the water sector. We are also pleased to see that customers' preferences and support for investment plans will be key considerations and should ensure water companies develop and deliver sustainable strategies that ensure the right outcomes for customers and the environment.

We also welcome the direction given to water companies to be more strategic in their planning and for there to be greater co-operation between water companies and potential third parties/other sectors. We have been longstanding supporters of the two regional water resources groups - Water Resources in the South East, and Water Resources East Anglia and believe that these provide a platform for the delivery of a more strategic and therefore effective water resources planning strategy.

Leakage is a matter of concern to most customers and the guidelines allow water companies the opportunity to look at all options to reduce leakage levels where they have customers' support for doing so. The guidelines also encourage water companies to consider the value customers place on reducing leakage and the wider benefits of doing so. Research carried out by CCWater revealed that leakage performance can act as a barrier to customers participating in water efficient activity and therefore is an important element of a company's strategy for balancing supply and demand and in its engagement with customers.

**1d) Is there anything missing or does anything require further explanation within the guideline?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

It would have been helpful to have had the Defra/Welsh Government's guiding principles at the same time as this would have set the context for the guidelines.

While we support a flexible approach we recognise the importance of the Defra/Welsh Government's Guiding Principles in giving water companies direction. We hope to see a continued emphasis on customer engagement, both household and non-household, particularly on water efficiency. Where compulsory metering is being taken forward customers need help and advice during the transition to metered charging. A combination of practical and financial measures can provide a safety net for customers with affordability issues. We would therefore expect company plans to incorporate these measures if promoting a compulsory metering strategy.

We have introduced 'process verification' in the early stages of the planning process.

As part of this process water companies should publish a method statement

explaining the methods they intend to use in developing their Water Resource

Management Plan (WRMP). They should also enter into early discussion with the regulators to discuss the methods. This is to encourage water companies to have the confidence to innovate and use methods that are most appropriate for them, and will enable dialogue with regulators to give them confidence in the methods.

**2a) Do you understand what this 'process verification' step is trying to achieve?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

We are very pleased to see the introduction of the pre-consultation process verification stage. CCWater has taken a close interest in the development of WRMPs and has observed that in a number of cases where a company's plan has been challenged by the Environment Agency (and on some occasions through public inquiry or (potential) public hearings) much of what has been disputed could have been avoided or resolved through more effective consultation and dialogue with the regulator earlier on in the process. We believe that this has been one of the most important lessons to date. Verification of the process will become even more important if water companies do rise to the challenge by being more innovative in the methods they adopt.

**2b) Do you understand how this will work?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

Our response is a cautious 'yes'. This process will hopefully be a further development of the existing relationships and interactions between the water companies and Environment Agency/Natural Resources Wales. We would expect that water companies with more challenging/complex issues to tackle or those proposing more innovative approaches will need more extensive consultation than others.

We have asked that water companies produce a plan with a supply forecast that as a minimum tests their supply to the worst drought on record. We would like water companies to test how their supply forecast may react to a drought worse than what they have experienced in the past 100 years.

**3a) Do you believe all water companies can produce a plausible drought that is worse than what has been experienced in the past 100 years?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

We are assuming that this question intended to ask whether water companies can produce plausible scenarios for droughts and plans for events that are worse than any that have been experienced in the last 100 years. We support the proposal to test plans beyond historic events. The security and resilience of water supplies are the top priorities for customers.

The uncertainty around climate change and the experience of recent (2011/12) drought conditions in the South and East of England suggests that water companies need to consider the ‘what if’ scenarios. For consistency the Guideline will probably need to define ‘plausible’.

**3b) Do you believe new methods need to be developed to allow water companies to undertake this work?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

Our answer is ‘maybe’ rather than ‘yes’. Some water companies have already started to look at this and have been working with Academia and other specialists in this field. We would expect Defra and Environment Agency/Welsh Government and Natural Resources Wales to be open to the development and application of new modelling techniques and look to developments internationally.

**3c) To achieve this, do you believe water companies will need to invest further in computer modelling?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

Our answer is ‘maybe’ rather than ‘yes’. Some water companies may need to invest but there is also scope to work in partnership with Academia and scientific establishments etc.

The Water Resources in the South East Group have contributed to the development of a regional model to help with options appraisal. This may be a good alternative option for water companies in other areas where there has been less direct collaboration to date.

**3d) How do you think such droughts can be explained to customers?**

Most customers will already have some understanding of what drought means particularly in areas where there has been recent experience to draw on. Water companies’ will need to explain how an event might potentially escalate (beyond historic levels), the likelihood of this happening, the consequences if it did, and their options for managing such events.

The issues involved with drought planning and management are very complex and some aspects will be difficult for customers to engage with. In particular, ‘risk and probability’ are difficult concepts to communicate, but this will be necessary in order to engage with customers’ and obtain their views when seeking support for different investment options. Some good work was done for WRMP14 and PR14 and it should be possible to learn from this. The industry has the opportunity to share good practice and has an interest in improving customer engagement on these issues at company, regional and national level.

A lot of work was also done after the last widespread drought in the South and East of England to capture lessons learned and to understand customers’ views and preferences for messaging and introduction of drought management interventions. Water companies and stakeholders therefore have a good foundation to work from.

The new guideline aims to explain how the WRMP links to all other relevant plans such as water company drought plans, business plans and river basin management plans.

**4a) Do you think the guidelines sufficiently explain those links?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

**4b) Are there any other plans we should link to?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

Emergency Plans are mentioned but always appear to be stand alone documents for dealing with events that are classified as 'Civil Emergencies'. While there are clearly good reasons for keeping these details confidential it would be reassuring to know that these plans do provide for extreme drought events that go beyond those addressed in water companies' drought plans.

In the same way that drought plans demonstrate how short term drought conditions are managed, water companies should be able to demonstrate how and when a drought situation would move into a Civil Emergency and the measures that would then be necessary and may provide a better appreciation of the importance of the earlier drought management activities and interventions - like temporary use restrictions. It may also provide some reassurance that appropriate contingency arrangements are in place for extreme events.

The guidelines should also take into account the proposals set out in Ofwat's Water 2020 Regulatory Framework to protect security of supply for water customers while enabling water trading where feasible to do so.

**5a) Do you think that the new guidance sufficiently emphasises the need to consider different options for building resilience in your water supply?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

Water customers' main priority is a safe, reliable water supply; the sector's resilience is therefore of utmost importance. As drafted, the guidelines give water companies the ability to base plans on their own assessment of their risks and vulnerabilities. The water companies need to understand their customers' needs and preferences before arriving at their preferred strategy and in determining the level of resilience they plan for.

**5b) Do you understand how long term resilience to droughts can be explained within the WRMP?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

**5c) Please tell us if there is any further information on resilience you would like to see.**

Guidance is evolving in this area. The Environment Agency/Natural Resources Wales and Ofwat will need to ensure guidance and regulatory assessments are consistent across both WRMP and business planning processes.

For water companies wholly or mainly in England, water trading and solutions being provided by a third party are strongly encouraged in the guideline.

**6) Do the guidelines provide enough information on how to include these options in the planning process?**

*Please tick the relevant box*

**Yes**

No

Don't know

This is for the water companies and potential third parties to comment on.

The guideline provides far more flexibility for water companies to decide on how they will find the best solution for the problem they face.

**7) Would you like to see any standard requirements included in the guideline to allow comparison between water companies?**

*Please tick the relevant box*

Yes

No

Don't know

Customers and stakeholders would find it helpful to have some comparable information - environmental performance, leakage, metering and reductions in demand/ per capita consumption etc.

Most water companies will need to complete a strategic environment assessment. In doing so, environmentally damaging options should be screened out.

**8) Do you believe we need to require water companies to make a monetised assessment of the costs and benefits to society and the environment, for all (remaining) feasible solutions?**

*Please tick the relevant box*

Yes

No

Don't know

We can see that this might be beneficial in explaining why certain options are selected or rejected.

We have made many changes to the water resources planning tables by reducing the amount of data we ask for, simplifying the structure, and removing a lot of the functionality so it is primarily a data gathering template.

**9a) Do you agree these changes are positive?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

**9b) Do you think we should require any further information in these tables?**

*Please tick the relevant box*

**Yes**

**No**

**Don't know**

The regulators must determine what information, and form of data, they need from the water companies in order to assess and ultimately approve their WRMPs (and business plans). However, the overall demands placed on water companies to provide data and information to regulators and other stakeholders needs careful consideration and should not lead to any unnecessary duplication or additional effort on the water companies' part. As an organisation that collects and publishes water company performance information across a number of service areas we are looking to work closely with the regulators and Water UK to look for opportunities to reduce the reporting/regulatory burden on water companies.

**10) Please tell us if you have any other views or comments on the guideline that have not been covered by previous questions.**

The WRMP is a fundamental building block for water companies' business plans and as such allows early engagement with customers ahead of the next price review. To assist the better alignment of the two planning processes we believe water companies should plan their customer engagement to ensure that the research and consultation they undertake for their WRMP development informs the research that they undertake on their business plans. Being able to demonstrate that there is a 'golden thread' running through their customer engagement gives greater confidence in the interpretation and conclusions drawn.

Effective public consultation, therefore, is crucial not only in shaping water company plans but in raising awareness of the challenges facing the sector and the implications for customers and the environment. This is particularly important where water companies operate in areas of serious water stress and their plans are likely to have a more direct impact on customers - level of service, nature of supply (waste water recycling, desalination) or billing method (metering, tariffs).