UKCP18

# CLIMATE CHANGE: WHY THE CUSTOMER COUNTS

Water companies must win over their customers in the battle to adapt to climate change, argues **Mike Keil**

**THIS YEAR HAS BROUGHT** into sharp focus the extensive impact of weather on the provision of safe, reliable water supplies.

Late February brought the Beast from the East, followed shortly by Storm Emma, which brought freezing conditions, heavy snow, then a rapid thaw, which disrupted water supplies in Southern England and Wales. More than 200,000 households found themselves without water as some companies failed to cope with the impact of the freeze/thaw on their networks.

Later in the year, an extended hot and dry spell put further pressure on water companies. Initially, some parts of the water network struggled to cope with the peak demand from consumers driven by the exceptionally hot weather.

Although there was no shortage of water, some companies struggled to move water around their networks fast enough to meet high demand. As the dry spell continued, United Utilities announced it would introduce a hosepipe pan affecting around five million people. However, the ban was not introduced as the dry weather broke in late July.

These events pose a crucial question: if the water sector is vulnerable to extreme weather today, how will it be cope in future with a changing climate? The inability of some water companies to cope with well-forecast events signals to consumers that they are not well-prepared for future climate change. The new climate-change scenarios,UKCP18, are due for release at the end of 2018. They bring an opportunity to improve the way the water sector communicates with customers about climate-change risks, how it mitigates these risks, and what action consumers can take to protect water resources long term.

Refreshed and updated scenarios present a reason to talk to consumers about issues that affect them directly. We certainly need a step change in how we engage consumers with this issue.

## WHY THIS MATTERS

Some attempts were made to engage consumers in the first two rounds of formal climate-change adaptation reporting, in 2010 and 2015. In these reports, water companies set out how they were tackling climate-change risks — or planned to.

These helpfully set out what each company is doing, but many reports are very technical, each has different emphasis and all fail to present one coherent overview of the sector. This makes is difficult to determine how prepared the water sector is.

Some companies produced customer-friendly versions of their adaptation reports to inform and engage consumers. These can be useful reference points for consumers on issues and implications for water and sewerage services — but how far have these reports influenced water companies' business plans for 2020-2025?

Consumers must be involved in adapting to climate change — it will directly affect them. That impact varies depending on their water company's appetite for adaptation.

Without adaptation, standards of water

and sewerage services will fall. Climate change can reduce services in many ways; more service interruptions, more risk of sewers flooding and poorer water quality. This can lead to loss of earnings, clear-up costs, and mental distress.

However, adaptation will come at a cost, increasing water bills. This raises decisions about intergenerational equity: when should adaptation take place, who should pay for it and over what time scale?

The bill impact also has distributional issues. Today, some three million households struggle to pay their water bills. Higher bills to adapt to climate change will see even more people struggle.

Legitimacy is also an issue. The public is scrutinising water companies, their services and their costs as never before. Consumer Council for Water research shows that just 61 per cent of customers feel their water bills are fair.

Consumers trust the water companies to get on with adaptation; 77 per cent are confident that they will have long-term access to water without restrictions. Water companies must engage with customers to maintain this confidence and to convince consumers that they approach future challenges fairly.

## CHANGING SERVICE LEVELS AND EXPECTATIONS

Water firms' service levels to consumers are unlikely to remain static as climate change makes the weather more extreme. It is essential to understand — and communicate — how this may shape consumers' water and sewerage services.

This opens the conversation about service-level expectations under a changing climate. This is challenging, demanding an interdisciplinary approach. Not doing this means leaves the discussion on investment and future bill levels hypothetical.

The UKCP18 scenarios are very technical. However, this cannot be an excuse for not making them more user-friendly to the average consumer. It is encouraging to see work underway to produce storylines to accompany the UKCP18 scenarios, using a narrative to communicate complex climate information.

Storylines provide context, but it's also crucial to understand the direct impact on the water sector. The Committee on Climate Change (CCC) will study future water availability using the UKCP18 scenarios starting next year, for delivery in 2021. Individual water companies must build on it to understand specific impacts for their consumers and to engage with their customers meaningfully.

We must also understand the direct impact of climate change on sewerage services. Work is under way to introduce Drainage and Wastewater Management plans, the waste equivalent of water-resource management plans.

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This improved approach to planning must interface with the new climate-change scenarios. As sewerage assets typically last hundreds of years, the industry must consider how to deal with drainage and with more volatile loads of surface water well beyond this century.

We must also consider consumers' behaviour. Climate change will no doubt bring visible differences to the natural environment, which will influence how people behave.

During this summer's heatwave, we saw fish rescues, crop failures and wild fires — things with a strong visual impact to show the effects of climate change.

We cannot assume consumers will behave in the same way in future, when the impacts of climate change will be more obvious. We must consider this when we consider how the water industry adapts to climate change. The CCC is working on a study, Understanding how behaviour change can influence climate change risks and opportunities, that could have significant implications for the water sector.

## REALISING THE BENEFITS

Over the last decade, climate-change adaptation has become a mainstream topic in the water sector, driven in part by the Adaptation Reporting Powers and Water Resource Management Plans. It has also been driven by consumers' general acceptance that our climate has and will continue to change.

However, the water industry must do more to engage with consumers on what it will mean for the services on which they rely.

To benefit from the new UKCP18 scenarios, scientists, policy makers, and water sector practitioners must understand the implications of UKCP18 for consumers.

Without this focus, adaptation will not be as effective or efficient as it could be, because of:

- The lack of clear goals from not understanding consumers' views on acceptable service levels.
- A failure to understand what can be achieved through behaviour change, leading to sub-optimal solutions being identified.
- Unacceptable distributional impacts, on those who struggle to afford water and across generations, through investment in adaptation putting upwards pressures on bills.

We should not limit the discussion on how the water sector should adapt to expert scientists and practitioners; we must involve consumers by making the UKCP18 scenarios understandable and relevant. A consumer-driven approach can lead to adaptation that is acceptable to consumers long term, in terms of price and of service.

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