

Response to Anglian Water's Water Resources Management Plan 24

To: Environment and Green Investment Committee

Meeting Date: 16 March 2023

From: Executive Director, Place & Sustainability.

Electoral division(s): All

Key decision: No

Forward Plan ref: N/a

Outcome: To consider and approve the proposed County Council response to Anglian Water's 'Water Resources Management Plan' (WRMP24)

Recommendation: That committee:

- a) consider and approve the response to WRMP24 as appended to this report
- b) delegate authority to the Head of Service – Natural and Historic Environment to make minor final amendments to the response in consultation with the Chair and Vice-Chair ahead of submitting to Defra by 29th March 2023

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1. Background

1.1 Water Resources Management Plans (WRMPs) are statutory documents that are published every five years. The purpose of these plans is to set out how a sustainable and secure supply of clean drinking water will be maintained for customers. It takes a long-term view over 25 years, building on the previous plan (WRMP19).

1.2 Anglian Water's latest WRMP24 which is being consulted on covers the period 2025 to 2050. The main report can be viewed here: [V2 WRMP24 main report \(anglianwater.co.uk\)](https://www.anglianwater.co.uk/v2-wrmp24-main-report)

1.3 Within WRMP24, Anglian Water aims to achieve the following:

- **Supply meets demand** - Deliver a secure and wholesome supply of water to their customers, businesses and other sectors. Optimise their available resource by reducing leakage at their treatment works and in their network. They will also work with their customers to promote water efficiency
- **Fair Charges, Fair returns** - A plan that is affordable and sustainable over the long-term
- **Flourishing Environment** - Deliver long-term environmental improvement by reducing their abstractions from sensitive areas and improving biodiversity
- **Resilient business** - Increase the resilience of their water systems by enhancing their drought resilience and having a diverse range of assets to withstand different challenges
- **Positive impact on communities** - A plan that supports the views of stakeholders and customers and takes into account social wellbeing. A plan which could help to alleviate flood risk to communities.
- **Investing for tomorrow** - A plan which can adapt to unknown future challenges

1.4 The WRMP24 recognises the range of challenges across the region, such as climate change, population/economic growth, environmental protection and chalk streams. Over the next 25 years Anglian Water will continue to build on their existing demand management strategy to accommodate sustainable growth at a water resource zone and regional level whilst also ensuring no deterioration for the environment.

1.5 Within WRMP24, there are four core areas being consulted on which are outlined below:

- Putting reservoirs at the heart of their strategy
- Achieving a balance
- Doing the right thing for the environment
- Paying on the basis of the amount of water used

- 1.6 **Putting Reservoirs at the heart of their strategy** – Anglian Water has identified that two new reservoirs (one in South Lincolnshire and one in the Fens) should sit at the heart of their draft WRMP24. These reservoirs would be a similar size to Grafham Water and are considered a ‘low-regret’ option. A low regret option is one where full benefit will be realised, even if future circumstances change. The WRMP24 outlines that reservoirs can provide many benefits beyond that of water supply, including habitat creation, public amenity, tourism and employment opportunities. The benefits of constructing new reservoirs have been compared with other options such as desalination and water reuse and it is considered the operational and carbon costs are lower for reservoirs. However, desalination and water reuse can be connected to existing water supply systems more quickly than a reservoir.
- 1.7 **Achieving a balance** – Anglian Water believe they have achieved the right balance between safe, resilient water supplies and affordability. As part of the plan, they have developed a three-tiered approach which is outlined below. Anglian Water suggest the approach will keep bill impacts as low as possible.
- 1 Demand management - Reducing how much water households and businesses use, focussing on smart meters to promote water efficiency. The WRMP24 states that smart meters enable water companies to identify leaks sooner, giving them a better understanding of their network whilst at the same time being able to highlight potential leaks on private systems to customers. WRMP suggests the water saved through this demand management will enable Anglian Water to manage the extra water they will need as a consequence of the projected population growth across their region.
 - 2 New reservoirs – such as the Lincolnshire and Fens Reservoirs.
 - 3 Other supply-side options - In addition to the reservoirs, Anglian Water propose to produce new water supplies through water reuse and desalination, although reuse has been prioritised over desalination. It is recognised that both have higher operational carbon and bill impacts than reservoirs and both have potential for environmentally damaging discharges if not managed correctly. Based on this, Anglian Water propose to only introduce desalination towards the end of their planning period (i.e. towards 2050) to enable them time to explore technological advances.
- 1.8 **Doing the right thing for the environment** – The ambition here is to build upon the WRMP19 pledge to keep abstraction within historical levels. As an example, Anglian Water pledges to give up 85 megalitres (85 million litres) a day of abstraction licences by 2025. They also plan to carry out investigations between 2025 and 2030 into the impact of their abstraction licences on the environment. Due to the timings of the WRMPs, the findings from the investigations into abstraction won’t be available until WRMP29 so the response in WRMP24 has been made adaptive. By way of an example, Anglian Water recognises that some level of desalination will likely be required, but they will not start developing location specific options until WRMP29.
- 1.9 **Paying on the basis of the amount of water used** – The report highlights that Anglian Water’s region is an area of significant water stress and they need to look at ways to influence the 9% of customers who have chosen to stay on unmeasured charging (i.e. paying a set amount for their water regardless of how much they use). WRMP24 states that unmeasured customers use, on average, 174 litres per head per day compared to 128 litres per head per day for measured customers. Anglian Water believe that all customers should

pay on the basis of what they use and propose to implement compulsory metering by 2030. The WRMP acknowledges the impact of this on those who use a high level of water that may be beyond their control to reduce, but they believe they have the right financial support packages for all customers for whom this would present an affordability challenge. The focus is to be proactive in raising awareness of the support available but also data-matching with the Department for Work and Pensions records so they target support automatically where they believe customers may be eligible.

2. Main Issues

2.1 A public consultation on WRMP24 is currently open until 29th March 2023. This consultation is made up of four questions which are copied in bold below. A full copy of our draft consultation response can be found in Appendix 1 of this report, but key points of our proposed response are outlined beneath each question.

1 Do you support us placing reservoirs at the heart of our draft WRMP24, rather than prioritising other supply-side options such as water reuse and desalination? Please tell us why you think this.

- We recognise the multiple benefits of creating reservoirs, for example providing water supply and flood risk management functions
- The carbon impacts of desalination are noted and we support the proposal to explore more sustainable options/technologies in the near future before embarking on largescale investment in desalination
- The environmental impacts of desalination cannot be ignored, such as the potential consequences of inappropriate disposal of the resulting brine
- Water reuse should remain a key priority as it maintains consistency with principles of the circular economy
- Public perception around water reuse will need to be managed through education and awareness raising over the planning period

2 We believe we will achieve a best value plan by undertaking a prioritised, three-tiered approach: demand management, two new reservoirs and other options such as water reuse and desalination to solve any remaining deficits. Do you support this approach? Can you explain why you do, or why you don't?

- Agree it is important to have three-tiered approach and support working with householders and businesses to reduce their water use
- Strategic priority for Cambridgeshire County Council to be net zero by 2045 which includes working with partners to deliver water conservation approaches and manage water scarcity
- We want to work with Anglian Water to deliver a holistic water management approach, balancing water abstraction, irrigation and navigation with biodiversity enhancement
- Unsure whether sufficient emphasis has been placed on agricultural irrigation. Changing patterns in rainfall will affect timings and volumes of agricultural abstractions but WRMP24 points to WRE regional plan rather than making any commitments

- It is important that Anglian Water considers the additional consents (such as planning permission) that may be required as a result of the incidental extraction of minerals that will occur through the construction of reservoirs.

3 We are committed to protecting and improving our environment but don't believe this should be achieved by implementing quick fix solutions, such as desalination, that could end up being detrimental to the environment and more expensive for our customers. Instead, we will develop options such as the Fens and South Lincolnshire reservoirs that may have longer lead times but will provide more environmental benefits in the long term. This means we will have a phased approach to reducing our abstraction in the short term and will ensure no deterioration to the environment by furthering our already industry leading demand management strategy and implementing short term supply-side options such as transfers. Do you agree with this approach?

- We welcome taking a considered and informed approach to decision making rather than making quick solution decisions
- Important to recognise the region is already under significant water stress for householders, businesses and agriculture which puts excessive pressure on rivers and aquifers
- Any new reservoir will not be supplying clean water until mid-late 2030s so we seek reassurance that Anglian Water has considered how to meet projected levels of demand between now and then (including crisis levels of demand)
- Water supply infrastructure needs investment now to meet demand, particularly in areas such as Cambridgeshire which has high growth
- Important to roll out education on consumer behaviour to assist with reducing demand and alleviating immediate pressures on water supply

4 Do you support us implementing compulsory metering? Is there any other additional support we could provide to our customers when they start to pay according to the amount of water they use?

- We would wish to see further evidence of need for compulsory metering and a full Equality Impact Assessment to demonstrate that an adverse impacts on any group can be managed appropriately
- We question whether Anglian Water know of the demographic of the 9% of customers who are currently unmetered
- We wish to see further commitment of measures Anglian Water will undertake around leakage reduction
- Any compulsory metering should be preceded by education of customers if it is expected they will reduce their consumption by almost a third.

3. Alignment with corporate priorities

3.1 Environment and Sustainability

The following bullet points set out details of implications identified by officers:

- Changes to the way water supply is managed could have impacts on biodiversity across the county, particularly in vulnerable habitats such as chalk streams. Such impacts aren't necessarily negative, and ambitions within the WRMP24 are to increase the amount of biodiversity habitats or improving existing habitats through better management. WRMP24 commits that all supply options delivered during the planning period will deliver 10% biodiversity net gain.
- Anglian Water has committed to net zero operational carbon by 2030. Their net zero strategy can be viewed [here](#) and will achieve net zero by maximising energy efficient and renewable energy generation, procuring green electricity, managing their process emissions, developing an offsetting strategy, decarbonising their fleet and maximising the value of their biogas

3.2 Health and Care

The following bullet points set out details of implications identified by officers:

- The purpose of the WRMP24 is to set out how Anglian Water will maintain a sustainable and secure supply of clean drinking water which is essential for human health

3.3 Places and Communities

The following bullet points set out details of implications identified by officers:

- The provision of amenities and recreational opportunities such as country parks, footpaths and walkways around the Fens reservoir will provide social benefits to those living in the vicinity, however the potential impact of the reservoirs during the development and construction must also be recognised
- As part of the smart metering strategy Anglian Water plans to work with local community water saving initiatives. They envisage that community engagement will play a major part in their strategy, ensuring they include the digitally disadvantaged and customers in circumstances that may make them vulnerable

3.4 Children and Young People

There are no significant implications for this priority

3.5 Transport

There are no significant implications for this priority

4. Significant Implications

4.1 Resource Implications

There are no significant implications within this category.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category

4.3 Statutory, Legal and Risk Implications

The following bullet points set out details of implications identified by officers:

- A Water Resources Management Plan (WRMP) is statutory document that sets out how a sustainable and secure supply of clean drinking water will be maintained. It has been prepared following the Water Planning Guidance and other relevant guidance to meet statutory requirements.

4.4 Equality and Diversity Implications

The following bullet points set out details of implications identified by officers:

- The introducing of compulsory metering has the potential to impact on low income and/or vulnerable customers. Whilst the WRMP acknowledges the need to be mindful of impacts on particular demographic groups and vulnerable customers, it does not state intention to undertake a full Equality Impact Assessment. We have therefore included a request for such an assessment in our consultation response.

4.5 Engagement and Communications Implications

There are no significant implications for this priority.

4.6 Localism and Local Member Involvement

There are no significant implications for this priority.

4.7 Public Health Implications

The following bullet points set out details of implications identified by officers:

- The WRMP sets out how clean drinking water can be provided across the Anglian Water region. Water reuse and desalination has the potential to impact on drinking water supplies without appropriate management. Anglian Water has engaged with the Drinking Water Inspectorate and the Environment Agency in the preparation of their plan.
- Whilst the WRMP plans to reduce abstraction where possible, it acknowledges that a small number of abstraction licences could remain at maximum peak for a short time to safeguard water supplies to customers. A case could be made on the grounds of overriding public interest, as detailed in the Water Framework Directive Regulation 19. An overriding public interest case can be sought if there is a danger to public health, and no other alternative solutions can be implemented.

Have the resource implications been cleared by Finance? Yes
Name of Financial Officer: Sarah Heywood

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? Yes
Name of Officer: Clare Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes

Name of Legal Officer: Linda Walker

Have the equality and diversity implications been cleared by your EqIA Super User?

Yes

Name of Officer: Emma Fitch

Have any engagement and communication implications been cleared by Communications?

Yes

Name of Officer: Kathryn Rogerson

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Emma Fitch

Have any Public Health implications been cleared by Public Health?

Yes

Name of Officer: Jyoti Atri

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

No

Name of Officer: N/A – Not key decision

5. Source documents

5.1 Source documents

1. Our Water Resources Management Plan 2024 (December 2022)
2. WRMP24 Consultation Questions (December 2022)

5.2 Location

1. [Our Water Resources Management Plan 2024 hyperlink](#)
2. [WRMP24 Consultation Questions](#)

1 Do you support us placing reservoirs at the heart of our draft WRMP24, rather than prioritising other supply-side options such as water reuse and desalination? Please tell us why you think this.

It is recognised that the creation of reservoirs can have multiple benefits if taken into consideration early enough the design process. Particularly in an area such as Cambridgeshire where there is a significant risk of flooding from rivers, streams and surface water, a reservoir has the potential to provide the purpose of both water supply and flood risk management. In line with Cambridgeshire's vision to secure renewable and resilient energy supplies, and become net zero by 2045, we support the ambition to incorporate renewable energy opportunities such as solar at any new reservoir.

We recognise the carbon impacts of desalination and the availability of more sustainable options to explore in the future. Whilst the use of desalination wouldn't have a direct impact on Cambridgeshire due to our inland location, we support opting to push this to the latter part of the planning period to explore new technologies. In particular, desalination is very energy dependent, and our power supply is also a strategic challenge. Similarly, the environmental impacts of desalination cannot be ignored, for example the disposal of the resulting brine can have harmful environmental consequences if not carried out appropriately.

We believe water reuse should remain a key priority however, as it maintains consistency with the principles of the circular economy. We recognise there is a public perception challenge around water reuse, but this is a long-term plan and education of the public as to the importance and value of water (especially around use and leakage management) should also include reuse.

It is however important to consider that desalination and water reuse are not dependent on rainfall and should therefore remain any element of a sustainable water supply strategy.

2 We believe we will achieve a best value plan by undertaking a prioritised, three-tiered approach: demand management, two new reservoirs and other options such as water reuse and desalination to solve any remaining deficits. Do you support this approach? Can you explain why you do, or why you don't?

We agree that it is important to have a three-tiered approach and support the approach of working with householders and business to reduce how much water they use. A strategic priority for Cambridgeshire County Council is to be net zero by 2045 and this includes working with partners to deliver approaches that will conserve water and help manage our water scarcity. Furthermore, we want to work with partner organisations to deliver a holistic water management approach that balances the complex interactions of water abstraction, irrigation and navigation with biodiversity engagement.

We are unsure whether you have placed sufficient emphasis on agriculture and irrigation. The WRMP24 talks about the need to reduce abstraction, but in the face of predicted changing patterns in rainfall, it is likely that farmers and others will be less likely to reduce abstraction so what policies are in place for this eventuality? The WRMP points to the WRE regional plan as a

regional approach is needed; we would agree but WRE is not a delivery body, and Anglian Water will need to engage closely to support agriculture and industry. Furthermore, it is important that Anglian Water considers the additional consents (such as planning permission) that may be required as a result of the incidental extraction of minerals that will occur through the construction of reservoirs.

- 3 We are committed to protecting and improving our environment but don't believe this should be achieved by implementing quick fix solutions, such as desalination, which could end up being detrimental to the environment and more expensive for our customers. Instead, we will develop options such as the Fens and South Lincolnshire reservoirs that may have longer lead times but will provide more environmental benefits in the long term. This means we will have a phased approach to reducing our abstraction in the short term and will ensure no deterioration to the environment by furthering our already industry leading demand management strategy and implementing short term supply-side options such as transfers. Do you agree with this approach?**

We would welcome taking a considered and informed approach to decision making rather than making quick solution decisions. However, it is important to recognise that the region is already under significant water stress for householders, businesses and agriculture. This in turn puts excessive pressure on rivers and aquifers. Any new reservoir will not be supplying clean water until the mid-late 2030s and we seek reassurances that Anglian Water has considered how to meet the projected and potential crisis levels of demand between now and then. Water supply infrastructure needs investment now in order to meet demand, particularly in high growth areas like Cambridgeshire. It is important to roll out an education programme on consumer behaviour now which will go some way to reducing demand and try to help alleviate immediate pressures.

- 4 Do you support us implementing compulsory metering? Is there any other additional support we could provide to our customers when they start to pay according to the amount of water they use?**

Cambridgeshire County Council would wish to see further evidence of the need for compulsory metering and a full Equality Impact Assessment to demonstrate that an adverse impact on any group can be reduced and managed appropriately. Your report states that 9% of your customers are on unmeasured charges: do you know which social or economic demographic this 9% belongs to? We would also wish to see further evidence of measures that Anglian Water will take around leakage reduction. Whilst the WRMP24 suggests that Anglian Water are one of the 'frontier companies' for leakage reduction and therefore the 50% should not apply, leakage reduction is an essential component of providing a sustainable clean water supply. Further commitment to leakage reduction should therefore be made. Any compulsory metering should be preceded by educating consumers if it is expected that they will reduce their consumption by almost a third.