Draft South East Plan EiP: Data Meeting on Water (17th October 2006)

Briefing Note Prepared by Adams Hendry Consulting Ltd, on behalf of Southern Water Services Ltd, Mid Kent Water Ltd, and South East Water Ltd

Context

Adams Hendry has been invited to prepare a briefing note by the Panel to outline the three water Companies position in relation to the water resource modelling work undertaken by the Environment Agency (EA). Collectively the Companies serve wide areas of the South East, with differing responsibilities for water supply and sewerage provision. The Companies are responsible for the supply of drinking water to customers in 1.85 million households. Southern Water is also responsible for sewerage services and treating and recycling wastewater from nearly 1.8 million households, treating it at its 366 treatment works.

The Companies are committed to delivering necessary water supply and wastewater treatment infrastructure. Their representations on the Draft South East Plan seek to secure Policies that will provide a robust basis to facilitate the development of this infrastructure through the planning system.

EA Water Resource Modelling – Assumptions and Uncertainties

It is important to state at the outset that we do not currently have any alternative modelling work to that prepared by the EA, or new assumptions on water resource availability, to submit in evidence to the EiP.

We are supportive of the modelling work that has been undertaken by the EA working in liaison with all of the water companies serving customers in the south-east, and with the Regional Assembly. We do, however, wish to ensure that the Panel is aware of the basis for the EA modelling work, including the assumptions that have been used and the uncertainties that exist, as this has implications for planning policies at and below regional level.

The latest work dated May 2006 (EiP Document Ar4) builds on earlier work published in April 2005 (Doc. Ar5) and September 2004 (Doc. Ar6). None of this work, including the latest research, includes the potential impact of the considerable uncertainties in the current forecasts of the demand-supply balance arising from:

- the final requirements of the Habitats Directive (and the associated review of consents)
- the EA's Restoring Sustainable Abstraction Programme
- Catchment Abstraction Management Strategies, and
- the Water Framework Directive (River Basin Management Plans)

The ongoing implementation of the Water Framework Directive and the Habitats Directive Review of Consents is expected to require modifications to existing water supply and wastewater treatment infrastructure in order to meet current demands. The effects of the full implementation of the Habitats and Water Framework Directives, and initiatives such as the EA's Restoring Sustainable Abstractions programme have yet to become clear, but we are certain that they will impact on the availability of existing water supply resources, and so adversely affect the water companies' future ability to maintain service levels without new resource developments. The Phase 3 Habitat Review of Consent reports add weight to this.

The EA Modelling work recognises that these uncertainties exist, and as a result the May 2006 document (Doc. Ar4) includes an extensive 6 page list of Caveats and Uncertainties in Annex 9 to the document. We draw specific attention to this as a means of illustrating the extent to which the future water supply-demand balance remains uncertain, in our view reinforcing the need for robust and supportive Policies to be put in place to ensure that infrastructure demonstrated to be necessary to serve existing development and new proposals can be delivered.

In relation to the specific assumptions utilised by the EA in its modelling work, we wish to comment on the water efficiency scenarios that have been modelled in the May 2006 study (Doc. Ar4). A number of water efficiency scenarios are modelled, which assume water efficiency savings ranging from; no savings; 8% savings in new homes; and a combination of 47% efficiency savings in new homes and 21% savings in 20% of existing homes. Whilst we agree that savings are technically feasible, it is outside the control of a water company, or even the regulator to make the savings happen. We are concerned at the extent to which the high efficiency saving scenarios might be relied upon to determine the number or location of new water resource schemes required. There is nothing in current legislation to require water efficiency - all of the savings achieved are as a result of voluntary measures. Therefore, we do not consider that it would be prudent to plan the region's future water resources solely on the basis of voluntary water conservation targets, or to place future public supply at risk through the adoption of overly optimistic conservation forecasts that have no statutory basis for implementation. It must be noted that the Companies have a statutory duty to supply.

We also query the extent to which spatial planning policies can directly secure significant future water efficiencies (a concern shared by the East of England EiP Panel). This is not in any way to deny the importance of encouraging water conservation measures, which the water companies fully support and indeed are themselves promoting through various initiatives to help reduce demand. However, we think that it is most important that aspirational targets are not used as the basis for planning forecasts unless they can be enforced. Of great concern to the Companies for example, is that it is possible to achieve the BREEAM very good standard without any water efficiency credits being achieved.

Water Quality

There are few locations where there is current treatment and discharge capacity available to meet the additional demands from new development in the Plan. The scope and timing of investment in the additional infrastructure capacity required by new development is informed by local development plans. Future delivery may be constrained through restrictions on effluent discharges arising from implementation of the Habitats and Water Framework Directives, and from application of the EA's 'no deterioration' policy. Both result in more stringent discharge consents as treated wastewater flows increase. Currently these restrictions will arise from the EA seeking to limit Phosphorous levels in receiving waters. There is concern that the environmental standard adopted by the EA for this environmental protection may be overly precautionary.

The EA Report "Creating a Better Place: Planning for Water Quality and Growth in the South East" (Documents Ar2 and Ar3) has for the first time identified locations where wastewater treatment works will be unable to treat wastewater from new development to standards necessary to meet environmental water quality standards. We note that the EA is currently preparing Version 10.5 of Documents Ar2 and Ar3, and hope that these will be made available well in advance of the deadline for EiP statements.

Conclusion

In conclusion, we would like to reiterate that in highlighting these issues we are not seeking to undermine the basis for the EA modelling work. Rather, we want to draw attention to the need for flexible but robust Policies that will enable necessary infrastructure to be delivered in whatever situation we find ourselves in the future. In its current form the RSS may provide an inadequate basis for water companies to justify system improvements, even though the practical need is clear. The Panel will be well aware of the significance of the need and alternative arguments in the promotion of major developments.

We will be happy to expand on this briefing note, and respond to questions at the Water Data Meeting on 17th October 2006.