

## **CABINET – 20 NOVEMBER 2018**

### **Thames Water Revised Draft Water Resource Management Plan 2019**

#### **Report by Director for Planning and Place**

#### **Introduction**

1. Thames Water consulted earlier this year on the first iteration of their Draft Water Resources Management Plan (WRMP) 2019 which looked ahead over the next 80 years to 2100.
2. The plan looked at demand management options to make best use of existing water as well as new water resource supplies.
3. All of Thames Water's options contained a new Upper Thames reservoir (in the vicinity of Abingdon / Steventon) but with different timings and in different combinations with other schemes.
4. Oxfordshire County Council's full response to Thames Water in April 2018 can be found at Appendix 2 to this report. However, in summary the issues raised were around the following:
  - a. Water Trading – importing and exporting water to other companies
  - b. Proposed reservoir – clarity on size, when it will be needed, which catchment it will serve and details on the evidence underpinning that need.
  - c. Population forecasting – including Oxfordshire's need, longer term need notwithstanding the National Infrastructure Commission's ambitions for the Oxford – Milton Keynes – Cambridge corridor.
  - d. Demand management – reduction of leakages
5. Thames Water received over 540 responses to the consultation. The 'Statement of Response' report responds in detail to issues raised. Table 1 below reproduces the summary of responses contained in the revised draft WRMP consultation documents.
6. It is also noted that overall stakeholders supported the work of Water Resources in the South East (WRSE) Group and the objective to co-ordinate water resource planning at a regional level. Ofwat expressed disappointment that the draft plans in the South East appeared to miss the opportunity to secure the long-term resilience of the region and asked Thames Water, and the other water companies, to work together to address challenges in the South East.

**Table 1: Summary of Responses**

<b>Comments made</b>	<b>Thames Water's response</b>
Make sure there's enough water in the future	We have looked ahead 80 years to 2100. We have considered lots of different futures, such as what would happen if there was extreme climate change, to make sure we are ready whatever the future holds.
Population forecast - some stakeholders questioned whether they were too low, while others thought they were too high.	We have reviewed the forecasts. The forecasts to 2045 are robust. The forecasts from 2045 to 2100 have been revised in line with new government data.
Ensure supplies are resilient to severe droughts as well as other hazards.	We have planned new resources to allow us to provide enhanced resilience to severe droughts from 2030.
Take a regional approach, given the challenges faced in the South East.	We continue to work closely with the other water companies to understand their future water needs and to ensure that our plans are coordinated. We are proposing to jointly develop a new reservoir with Affinity Water.
Too much water is lost through leaks in pipes, there was strong support for more ambitious targets to reduce leaks now and in the longer term. Contingency plans are needed if the programme does not save as much water as planned.	We have confirmed our commitment to reduce leakage by 15 per cent by 2025. We have also set a target to halve leakage by 2050; this is equivalent to 16 per cent of the amount of water we put into supply. These are ambitious targets. We have developed contingency plans in case these are needed, such as a commercial water trade agreed with RWE NPower.
Support the need to make the most of the water supplies we have already, including more water meters and help to customers to use water efficiently.	Making the most effective use of the resources is the foundation of our revised draft plan. It aims to achieve a reduction in the amount of water used per person from 144 litres a day in 2018 to 121 litres a day in 2045.
Teddington Direct River Abstraction scheme - While the scheme was considered to be cost effective, there were significant concerns about the impact on the river ecology and navigation on the River Thames.	We have removed the Teddington Direct River Abstraction scheme from our revised draft plan in response to the concerns raised. We have committed to undertake further work to address environmental and navigational issues in the next five years. In its place, we have brought forward a water transfer scheme and proposed a water reuse scheme.
A new reservoir in Oxfordshire – There was support for a new reservoir to ensure a secure water supply and to protect the environment, particularly chalk streams, with calls for it to be developed sooner. There was also local opposition.	We have confirmed that the reservoir is the most cost effective strategic resource, as well as providing resilience to drought and opportunities for wider benefits. We have brought it forward in our revised draft plan from 2043 to 2037. It will be jointly developed with Affinity Water and will provide a potential resource to the wider South East region.

There was strong support to protect the environment, specifically vulnerable chalk streams and watercourses.	We have made a commitment to stop further abstractions from adversely affected vulnerable chalk streams. The new reservoir, with additional infrastructure, could provide the water needed to reduce abstractions.
Transfers of water – There were both positive and negative views. The majority of supporters called for the restoration and use of the Cotswold canals as part of a transfer scheme. Concerns focused on the security of the supply and environmental impacts.	We have included water transfers via the River Severn in our revised draft plan from the 2080s and committed to continue to work with other water companies and regulators to fully understand the viability of a large water transfer. We have confirmed that a pipeline remains our preferred way of moving the water rather than the use of the restored canal network. Detailed information is provided in the Statement of Response, Appendix H.
Develop a best value plan which takes account of a range of factors and clearly explain how you have made the decisions.	We have enhanced our approach to prepare a best value plan, with the use of additional modelling tools, more testing under different future conditions and scrutiny through an independent panel of experts.

7. In July 2018, Council resolved to support the position of Group Against Reservoir Development (GARD) in their response to the Draft WRMP19 which asked Thames Water to undertake a second consultation and to:
  - a. Reduce leakage by half by 2050
  - b. Improve water-use efficiency to match the norms of other companies
  - c. Provide a proper analysis of water available through other measures, including Teddington DRA and water re-use.
  
8. Thames Water presented findings and the revised draft WRMP to Oxfordshire County Council Members on 3 September 2018. On the same day GARD also presented their analysis of the WRMP.

### **Thames Water's Preferred Plan**

9. The following list is taken from the 'Revised Draft Water Resources Management Plan: Executive Summary' and outlines the significant changes to Thames Water's preferred investment programme:
  - *We have re-forecast population growth from 2045 using the latest information from ONS 2016 national forecasts. This has reduced our forecasts of population growth in the long term.*
  - *We have removed Teddington Direct River Abstraction (DRA) supply option from the preferred plan in response to environmental concerns.*
  - *We have extended our programme to reduce leakage including a target to reduce leakage by 15% by 2025 and to halve leakage by 2050.*

- *We propose to develop new groundwater resources, transfer water via the Oxford Canal and develop the new Deephams reuse scheme in North London to ensure security of supply and resilience to severe 1 in 200 year drought events by 2030.*
- *We have brought forward the development of a new reservoir in Oxfordshire to 2037, called the South East Strategic Reservoir Option (SESRO), which addresses at an earlier date the requirement for raw water from Affinity Water. The reservoir will be jointly promoted by Thames Water and Affinity Water and will improve the resilience of water supply in the wider South East region.*
- *We have included increased protection to vulnerable chalk streams and water courses once there is water to do so. The timing is facilitated by the delivery of the SESRO in 2037.*
- *We have included the supported Severn Thames Transfer option towards the end of the planning period.*

## **Key Issues**

### *Leakage reduction*

10. Oxfordshire County Council previously raised issues about Thames Water's programme of leakage reduction. In the revised draft WRMP Thames Water have committed to reduce leakages by halve by 2050. It is proposed that Oxfordshire County Council supports this ambition.

### *Population Forecasts*

11. Concerns were raised on the population forecasting presented in the previous draft WRMP. The revised consultation now uses Office of National Statistics 2016 national forecasts resulting in a reduction in expected population from 2045 to 2100 (was 15.4 million and is now 13.9 million people). It is proposed that Oxfordshire County Council acknowledges that Thames Water has prepared its forecasts using available data and has no further comment to make.

### *Abingdon Reservoir*

12. Oxfordshire County Council has concerns about the size and, more importantly, the actual need and justification for the proposed reservoir at this location. The Council has not been presented with an integrated, regional plan detailing demand and supply options for all of the water companies in the South East. Until that time an objection to the reservoir remains.
13. As a part of producing a regional water plan for the South East the County Council would also expect to see detailed analysis of a Severn Trent transfer

in terms of quantity of water that can be transferred as well as clear arguments as to when transfers can be included in the plan.

14. Should a regional plan demonstrate through thorough, collective population forecasting and subsequent sequential assessment of supply options, the need for a considerable sized reservoir at Abingdon, then the County Council has multiple issues concerning its construction, implementation and impact on the landscape, environment and surrounding settlements and residents. Should the proposed reservoir progress, the County Council will work closely with Thames Water and partners as well as the Vale of White Horse to achieve a reservoir that is the adequate size and that provides suitable benefits and mitigation for the area.
15. Full details on these issues can be found in Appendix 1 to this report.

### **Financial and Staff Implications**

16. There are no financial or staff implications with regards to the Thames Water Revised Draft Water Resources Management Plan at this stage.

### **Equalities Implications**

17. There are no equalities implications with regards to the Thames Water Revised Draft Water Resources Management Plan at this stage.

### **RECOMMENDATION**

18. Cabinet is **RECOMMENDED** to:
  - (a) Consider the issues and the draft response in Appendix 1, and provide comments as appropriate.
  - (b) Agree that the final response to the consultation be signed off by the Cabinet Member for the Environment in accordance with existing delegations.

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Background papers: None

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