

Appendix 17: Consumer Council for Water

1. Consumer Council for Water		
1.1	Representation	Given the similar challenges faced by water companies operating in the seriously water stressed south east of England, we have been longstanding supporters of the Water Resources in the South East Group (WRSE) and have encouraged a more strategic, joined up approach to improving resilience to the growing pressures on our water services from climate change and population growth. It should also help to protect the environment, natural habitats and wildlife that also rely on the same water sources.
	Our Response	We will continue to work collaboratively with WRSE, water companies, regulators and stakeholders to improve resilience and protect the environment.
	Summary of any change to our final WRMP	N/A
1.2	Representation	The freeze/thaw event in March 2018, and the huge demand for water during the record breaking temperatures over last summer, were stark reminders of how fundamental our water services are to the way we live our lives and to our general wellbeing. Safeguarding our water services today and in the longer-term must therefore be of paramount importance for the water industry and policy makers.
	Our Response	We acknowledge and will continue to work collaboratively with water companies, regulators and stakeholders to ensure long term resilience to drought and no drought events.
	Summary of any change to our final WRMP	N/A
1.3	Representation	For Affinity Water, as with all water companies, planning for the longer term, and working in partnership with others, provides the opportunity to consider new, more strategic supply options that will deliver resilient supplies to their customers and for the wider region. New resource development should form part of a “twin track” approach alongside more significant demand management, primarily in the form of leakage reduction and working with consumers and stakeholders to reduce per capita consumption/daily water use.
	Our Response	Our plan adopts a “twin track” approach of extensive demand management to reduce demand, supported by large-scale schemes to increase supply.
	Summary of any change to our final WRMP	N/A
1.4	Representation	More strategic, regional planning should ensure that the water companies’ plans are aligned and the development of any larger scale water resources can be agreed, planned for and delivered in a timely and appropriate manner and the potential benefits maximised. It should also ensure the costs associated with this investment can be shared and phased appropriately and thereby avoid bill shocks for consumers.
	Our Response	Although we were generally aligned at the rdWRMP19 stage, our fWRMP19 will be fully consistent with neighbouring company WRMPs in respect of shared option timing and magnitude of water supplied to Affinity Water. Our adaptive strategy allows us to do that. Since the rdWRMP19 submission we have continued to work with our strategic regional option partners. Our fWRMP19 provides a summary of that work to help enable further transparency to stakeholders and customers. As noted above, we have specifically referred to Thames Water’s adaptive plan in our fWRMP19, and

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		<p>highlighted the alignment in investigations, development and adaptation between our two plans. We are fully aligned around the 2023 decision point, with early review in 2022 based on the 'Gate 1' stage of the Business Plan proposal. In terms of the costs and magnitude of benefits, we have explained the derivation of our 50MI/d plus 50MI/d two stage approach to SESR, and confirmed that this has been modelled by Thames Water in their updated revised submission, plus we have modelled a single 100MI/d version and confirmed that this is still selected as the preferred option in our 'best value' analysis. We have therefore confirmed the need for 100MI/d from SESR, as modelled by Thames in its analysis. We have also confirmed the sharing of costs and yield with Thames on the STT and with Anglian Water on the South Lincolnshire reservoir.</p> <p>Our Business Plan submission on the 1st April 2019 also provides additional information relating to our proposals for joint working and collaboration with partners for all our strategic regional options. These proposals include the shared understanding of the scheme descriptions, our approach to joint working methods and activities, scheme costs and programmes, and gated deliverables linked to an Outcome Delivery Incentive type mechanism.</p> <p>We have provided further explanation of how we intend to continue the work on alternatives to preferred strategic regional options in our plan e.g. liaison for the STT and water trading options with Thames Water.</p>
	Summary of any change to our final WRMP	N/A
1.5	Representation	We previously raised concerns over the way Affinity engaged with its customers in our response to the initial draft WRMP (dWRMP) consultation. Although we do not feel that customer insight was used from the beginning to determine the options in the initial dWRMP, we are more reassured that the improved customer engagement in the pre consultation has meant that the revised dWRMP is closer to satisfying customer's expectations. The company has used the opportunity of resubmitting their dWRMP to answer the concerns raised and make changes to demand management and strategic supply options.
	Our Response	Thank you for your feedback on our improved customer engagement since dWRMP19.
	Summary of any change to our final WRMP	N/A
1.6	Representation	While we understand that the companies are currently legally obliged to produce stand alone WRMPs, the WRSE has demonstrated that closer, collaborative working can help identify further opportunities to share available resources through transfers and other jointly developed supply solutions, than if the company was working alone. It has also been beneficial when managing widespread drought events.
	Our Response	See response to 1.4 above.
	Summary of any change to our final WRMP	N/A
1.7	Representation	Taking into account the extensive work that the industry, through Water UK, has undertaken on the supply challenges that will be faced over the longer term; and the conclusions and recommendations of the National Infrastructure Commission on how these challenges need to be addressed, we fully support the development of an agreed Regional Plan for the south east of England, that the companies are fully committed to and that ensures future generations have the security of supply that is necessary to support a sustainable society, economy and environment.
	Our Response	This national level view will be crucial to the development of the regional plans, effectively providing them with guidance on the scenarios and 'boundary conditions' that they will need to include within their analyses.

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	Summary of any change to our final WRMP	N/A
1.8	Representation	We are pleased to see that Affinity has responded to the feedback received on the initial dWRMP, and have taken the opportunity to review their approach and to become more adaptive; being able to choose the best options based on the changing demand and supply needs. We encourage the collaborative approach to regional water resource management and welcome the commitment to further explore the South East Strategic Reservoir option, alongside current water supply improvements.
	Our Response	Thank you for your feedback.
	Summary of any change to our final WRMP	N/A
1.9	Representation	Affinity Water operates in a seriously water stressed area. Their current resilience means that there would be a 20% chance, between 2020 to 2080, of the company having the need to use emergency drought orders for standpipes, in a 1 in 200 year drought scenario. After the implementation of the revised dWRMP, the resilience would move to emergency drought orders being unacceptable, and for temporary usage bans and ordinary drought orders having a 20% chance of need in a 1 in 200 year drought scenario. We feel that the proposed plan means the company would become much more resilient to drought, and we expect every company to view standpipes as unacceptable.
	Our Response	Our fWRMP19 includes increasing drought resilience to meet a 1 in 200-year drought without the use of drought permits or orders post March 2024 and beyond a 1 in 200-year drought at a future point after 2024.
	Summary of any change to our final WRMP	N/A
1.10	Representation	We welcome this “twin track” approach. Demand management and leakage reduction activity alone will not provide the level of resilience to future pressures that consumers in the south east of England will expect from their water companies. It is encouraging to see Affinity Water looking both at the demand management strategy and developing new resources to address the supply-demand pressure that they face. Both of the strategic supply options that Affinity propose in their revised dWRMP offer the opportunity to improve long term resilience in the region, in collaboration with neighbouring companies.
	Our Response	Thank you for your feedback.
	Summary of any change to our final WRMP	N/A
1.11	Representation	We think it is essential that the company sets itself stretching targets for leakage reduction. Ofwat has challenged all the water companies to a 15% leakage reduction to be delivered by 2025, so it is good to see Affinity going beyond this and committing to an 18.5% leakage reduction within the 2020 to 2025 period, and 50% in the longer term by 2045. The company needs to be clear on how the additional water saved through the increased leakage reduction will impact the rest of the plan, and the need for the strategic supply options.
	Our Response	We fully support the ambitions to substantially reduce leakage by 2050. Our initial aim is to achieve a 50% reduction in leakage between 2015 to 2045. This 30-year programme to reduce leakage by 50% is planned to deliver five years earlier than most other water companies because we started the process in 2015, and will already have delivered a 14% reduction by 2020, followed by a further 18.5% reduction between 2020 and 2025. We will then aspire to achieve a higher level of

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		<p>reduction, to 57% from the 2015 position, which will allow us to reduce leakage by 50% from our 2020 position.</p> <p>Clarification of the 50% target and the ambition for 50% post AMP7 (i.e. 57% overall) is included in the fWRMP19 along with clarification of how we have handled mains renewals for leakage and trunk mains schemes. Explanation of how we will achieve leakage efficiencies and details of our leakage reduction strategy are provided in Technical Report 4.8: Leakage Strategy Report and referenced in the fWRMP19.</p>
	Summary of any change to our final WRMP	An update regarding leakage is provided in Chapter 6 and Technical Report 4.8: Leakage Strategy Report in the fWRMP19.
1.12	Representation	We do not have the technical expertise to challenge the validity of the schemes chosen by the company but welcome the fact that the company appears to be adopting a flexible approach, collaborating with other companies, and with the ability to adapt its plans in light of the uncertainties that the company faces. When the supply options are decided upon, we will seek evidence that these options offer the best value to consumers in the long-term.
	Our Response	Comments noted.
	Summary of any change to our final WRMP	N/A
1.13	Representation	<p>The Water Saving Programme aims to deliver further reductions in household usage, with the expectation from Affinity that PCC will reduce to 136 l/h/d by 2025 through this programme alone. Affinity will need to focus on engaging with their customers to achieve the further PCC reduction required; through targeting different segments of customers appropriately, promoting water efficiency to both household and non-household customers, utilising the data collected from smart metering and working with the industry more generally to campaign for customers to value their water supply and use it efficiently.</p> <p>It will be important for the company to evaluate and keep under review the elements of the programme so that it understands which elements have greatest impact and is open to learning from other companies. We are aware that Affinity have the biggest proposed % reductions on PCC across the companies; but we are not entirely sure that these are achievable. With the metering programme benefits realised, we don't feel like the company has evidenced how they are going to achieve these reductions.</p>
	Our Response	<p>We will reduce PCC to 129 litres per head per day (l/h/d) by 2025 through the continuation of our existing Water Saving Programme and employing new demand management options (this is the largest PCC reduction in the industry for this period). Significant additional explanation and quantification has been added to Chapter 6 of the fWRMP19 to demonstrate how we will meet the 129 l/h/d AMP7 target and the strategy beyond that.</p> <p>We anticipate 80%-meter penetration by 2025 and 90% meter penetration by 2045. We recognise this represents a lower target than at the dWRMP19. This is largely as a result of the higher than anticipated need to install internal rather than external meters, and taking on board experience to date around the practicalities of installing meters internally as well as wider industry learning. An explanation of the reasons for, and very limited implications of, the slower rate of metering as part of the Water Saving Programme are included, along with justification of the approach to smart metering rollout in Chapter 6.2 Our demand management strategy in the fWRMP19.</p>
	Summary of any change to our final WRMP	Updated Chapter 6 in the fWRMP19.

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1.14	Representation	We know that customers prioritise a safe, high quality and reliable water supply. Given this service is fundamental to our daily lives and wellbeing it is essential that it remains affordable. The proposed gradual, modest increase in bills appears to be delivering what customers have said is important to them in a way that avoids bill shocks. However, some households may struggle with any increase in their water bill. This is why it's important that the company continues to provide its customers with support with water efficiency to help reduce water use and therefore metered water bills; and to offer financial support to those on low incomes via their social tariffs. As this is a high customer priority, are there other areas where the company could look to reduce costs, that are not as high a priority, which would help to mitigate the bill increase.
	Our Response	Our plan continues our Water Saving Programme which includes offering customers support with water efficiency and 2-year transition period before moving to a meter to help reduce water use and will further promote our social tariffs more widely.
	Summary of any change to our final WRMP	N/A