



## REVIEW OF THE WATER RESOURCES MANAGEMENT PLAN PROCESS

It is Government policy to review the impact of legislation, post implementation, to establish the costs and benefits of the policy and whether improvements to the process can be identified. In line with this, we have asked the In House Policy Resource<sup>1</sup> to review the process which delivered the first round of statutory Water Resources Management Plans (WRMPs)<sup>2</sup>.

This questionnaire is designed to provide input to that Review by exploring the impact of the WRMP process on a sample of organisations including: the water industry, those with a regulatory interest, a range of NGOs and other interested parties.

Your views are very important to us. We want to understand your experience and see how the policy is working in practice. In particular, we want to learn whether, having placed the WRMPs on a statutory footing, the process is delivering the expected benefits - namely public engagement and transparency in water resources management planning. We also want to identify any unintended consequences so that we can consider whether any lessons might need to be taken into account in future policy making and whether improvements to the existing process can be made.

This questionnaire is in 3 sections, not all of which may be relevant to you or organisation. Please feel free to complete as many or as few as apply. We may contact you to discuss your responses in more detail:

- Part 1 - Information about you (asks about you, your role in relation to WRMP, and seeks permission to quote your views in our analysis)
- Part 2 - Process (seeks your general views on the effectiveness of the WRMP process, and your experience of the specific stages)
- Part 3 - General (gives the opportunity for you to add any other information you would like us to consider)

Please complete and return the questionnaire by e-mail to [sarah.ridley@dft.gsi.gov.uk](mailto:sarah.ridley@dft.gsi.gov.uk) or post a hard copy to Sarah Ridley at the In House Policy Resource, Zone 4/12, Great Minster House, 76 Marsham Street, London, SW1P 4DR by **FRIDAY 21<sup>st</sup> JANUARY 2011**. The Review report is

<sup>1</sup> IHPR is an independent team of experienced civil service policy advisors drawn from a number of departments. Their work focuses on projects related to the development, delivery and evaluation of policy and programmes - including projects designed to improve policy effectiveness through organisational, process or systems improvements.

<sup>2</sup> Water Resource Planning Guideline published April 2007 and amended November 2008 following feedback received during the production of water company WRMP in spring 2008 [insert hyperlink to guideline]

expected to be finalised at the end of the financial year and will be placed on Defra's water resources planning web page - <http://www.defra.gov.uk/environment/quality/water/resources/planning/index.htm> - shortly thereafter. As you type, text will appear in red , this is part of the form function for later action.

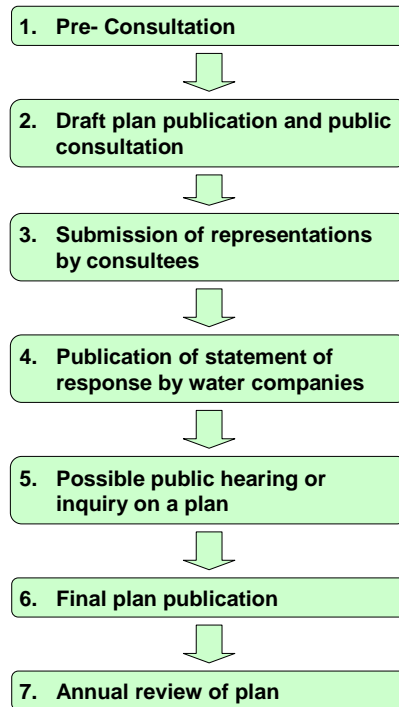
## Part 1 - Information about you

Name	<u>Nicci Russell</u>	
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Email	<u>nrussell@waterwise.org.uk</u>	
1.1 Please explain briefly the role of your organisation in relation to WRMPs.	<u>We are a UK-wide water efficiency NGO. We work with Defra, the Environment Agency and Ofwat to build the Evidence Base for Large-scale Water Efficiency, design water efficiency partnerships which fit into water company investment plans, and develop policy and regulatory models to enhance the role of water efficiency in the UK. WRMPs are a key part of this.</u>	
1.2 Information provided to this review may be subject to publication or disclosure in accordance with access to information regimes <sup>3</sup> . If you do not want us to quote your views in our analysis and want your response treated as confidential please make this clear.	<u>_____</u>	
1.3 We may want to talk to you about your response. Please indicate if you would be willing for us to contact you.	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

<sup>3</sup> Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004.

## Part 2 – Process - The statutory Water Resources Management Plan (WRMP)

2.1 The WRMP process has seven stages.



The following questions seek your views/experience of the general principles and on each of the specific stages. **It would be helpful, if you could give examples based on your experience with the process to illustrate answers throughout.**

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water companies on a more structured approach to consultation which would allow lay people to comment could usefully come from Defra.

The Water Resources Management Plans, Ofwat's Periodic Review process and the drought planning process each have an important role to play in water resources management. However, because they are delivered in isolation and the timing of each is not coordinated, there are clear ~~may~~ ~~be~~ opportunities for the government to act to reduce duplication in effort particularly with regard to demand management. This would also make the process more accessible to stakeholders.

Several companies did not present their plans in sufficient detail ~~of their plans~~ to include water efficiency. The type of water efficiency project should be clearly stated, along with the scale and expected outcome, informed by Waterwise's Evidence Base. This is particularly important in the context of the Coalition Government's commitment to reform the water industry to ensure more efficient use of water (and the protection of poorer households). It will be far more difficult to place water efficiency more squarely at the heart of the investment plans of the water industry without such information being a standard requirement.

Waterwise has ~~There are~~ concerns over the assumptions used to estimate the water savings from demand management interventions. Installing a meter is assumed to lead to a saving of 10 - 15%, but. ~~However~~ there is no robust evidence that this is the case. Unless a meter is installed as part of a package ~~An important point to make is that installing a meter on its own, without, including~~ education, customer engagement, retrofitting or appropriate tariffs, it is unlikely to have a substantive effect on customer consumption. Where plans for increased metering coverage are included, the activities which will accompany this should also be defined in the plans.

Finally, there is no standard format for Water Resource Management Plans - just guidance on what should be included. This makes comparison between company plans challenging. Waterwise would like to see standard required format and presentation of data and information, as well as broad content.

2.4 Are there ways in which the process could be streamlined?  
Please give examples.

Yes

No

2.5 Please explain briefly the reasons behind your answer. \_\_\_\_\_

~~Draft~~ the submission for draft and final Water Resources Management Plans and ~~B~~business Pplans should be aligned in terms of both timing and content. This would ensure Coalition Government aims for the water sector were far more effectively achieved. Final WRMPs should not be confirmed until after the final determination because it is only at this point that investment plans are confirmed. At the same time, the content of WRMPs should be treated as an actual factor by Ofwat when judging investment plans during the price review process - inclusion in a WRMP was not judged sufficient by Ofwat to count as a significant factor in company business plans, at the last price review. This meant that the detailed stakeholder discussion process undertaken by water companies for their WRMPs was not reflected in PR09, and nor were some investment plans which had been agreed as part of the WRMP process. ~~The final WRMP can not be submitted prior to the final determination as it is only at that point that investment~~

2.6 Do you think the frequency of the planning process and the overall time period covered by the WRMP is about right?

Yes

No

2.7 Please give examples to illustrate your answer and explain briefly what you would change. \_\_\_\_\_  
Currently, it is very difficult for external stakeholders to follow ~~what~~ the progress ~~is~~ being made towards ~~what~~ achieving the aims set out in WRMPs ~~plans are made during~~ the five years between plans. Progress updates during the ~~five~~-year period would be helpful and

would help raise the profile of the plans..

2.8 What, if anything, could Defra do better as part of this process? ———The consultation process currently lacks the structure required to help those less knowledgeable about water issues to respond to the detail given in the plans. Defra could provide guidance to companies on how to do this more effectively.

### The Guideline

2.9 The Environment Agency has published guidelines to inform the WRMP process. Are there any areas of the guidelines that you think could be simplified or otherwise improved?

Yes

No

2.10 Please explain briefly the reasons behind your answer. ———

Common terminology needs to be defined for ease of reference for non-technical readers of WRMPs. For example, ~~Therefore~~ definitions of basic terms such as consumption, use and demand would be helpful.

It is very difficult to compare information across different companies and it would be helpful if the guidelines could define key information such as approaches used, assumptions about how ~~customers~~ people will use water going forward, and key data such as population, population growth, per capita consumption, metering coverage, plans for leakage control and water efficiency plans.

The social component of water demand ~~and~~ - how people behave and consume water at point of use ~~are~~ - is not currently taken into account. ~~Guidance on~~ Defra should set out guidance on this ~~is~~ should be included in the guidelines.

The guidelines propose assumptions ~~that~~ which companies should use for water savings from meter installation. These assumptions need to be reviewed to take into account the latest evidence. They should also be on the conservative side rather than overestimating the contribution ~~that~~ which resource options are likely to make. For example, the 10 - 15% saving from meter installation is not based on any robust, scientific research and, importantly, has not been the result observed in recent trials (~~e.g. such as~~ Veolia South East's Lydd trial).

The guidelines should make use of Waterwise's Evidence Base for Large-scale Water Efficiency to define the assumptions ~~that~~ which should be used by companies to build their plans. Waterwise's Evidence Base is co-funded by Defra and the Environment Agency and is acknowledged by government and regulators as the leading source of data-led analysis in this area.

### Roles

2.11 Are the roles of those contributing to the WRMP e.g. regulators, water companies and consultees clearly defined throughout the process?

Yes

No

2.12 Please explain the reasons behind your answer and give details of where you think further clarity would be helpful. ———Closer working between Ofwat and the Environment Agency, and alignment of the process and timetables of WRMPs and business plans, would avoid duplication and also better reflect stakeholder views in company plans.

<b>Alignment with Periodic Review</b>		
2.13 The timing and outcome of the WRMP process was intended to inform water company business plans and OFWAT's periodic review process. Has this worked in practice?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
2.14 It would be helpful to have details of any reasons why this was not the case and examples of the problems you experienced. <u>——The timings of the processes are not synchronised out of synchronisation and isolated, and as such do not outwardly appear to complement one another in any way. Furthermore, during PR09 inclusion of an element in a WRMP was not judged sufficient for it to be included in business plans. To external stakeholders, the processes can feel very separate, and the WRMP one can feel like the junior partner to the price review.</u>		
2.15 Please provide any recommendations you have for improving the process in the future. <u>——See above.</u>		
2.16 Were there any instances where the WRMP process duplicated or overlapped with another process?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.17 Please comment on your answer, where possible providing examples. If your answer was “yes”, it would be helpful to know what form the duplication took and what additional costs you incurred as a result of the duplication.		
<b>Cost of WRMP process</b>		
2.18 What was the cost to you/your company? If possible, please give a breakdown for different stages of the process.		
<b>Wider Impact of WRMP</b>		
2.19 Do you think the WRMP objective “to look ahead 25 years and describe how each water company aims to secure a sustainable supply-demand balance for the supply of water taking into account the implications of climate change and assessing the impact of each supply option in terms of greenhouse gas emissions” has been achieved?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
2.20 Please give your reasons. <u>——</u> <u>Investment decisions are not made by Ofwat past the next five-year period, so long term planning is currently not very less meaningful and effective than it could be, despite the 25-year Strategic Direction Statements now required by Ofwat of the companies. Both the Price Review and the WRMP processes should look over a 25-year period in tune with the need for a sustainable approach to water resource management.</u>  <u>The assumptions made in the plans are, in many cases, not scientifically robust. Consequently the uncertainty as time progresses becomes huge.</u>		
<b>Stage 1: Pre- Consultation [Regulators &amp; Key Stakeholders only]</b>		
2.21 Did you encounter any problems with this stage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

2.22 Please comment on your answer, outlining any problems and what you think caused them (provide examples if possible).

2.23 What do you think worked well in this stage? Please give examples.

2.24 What, if any, improvements would you recommend for this stage of the process? Please give examples.

**Stage 2: Draft publication and public consultation**

2.25 Did you encounter any problems with this stage?

Yes

No

2.26 Please comment on your answer, outlining any problems and what you think caused them (provide examples if possible).

2.27 What do you think worked well in this stage?

2.28 What, if any, improvements would you recommend for this stage of the process?

**Stage 3: Submission of representations by consultees**

2.29 Do you think the process was open and transparent, enabling all stakeholders to inform the development of WRMPs?

Yes

No

2.30 Please explain the reasons behind your answer and give examples. If you think stakeholder representation could be improved in the process the please provide details.

2.31 Did you encounter any other problems with this stage?

Yes

No

2.32 Please comment on your answer, outlining any problems and what you think caused them (provide examples if possible).

2.33 What do you think worked well in this stage? Please give examples.

2.34 What, if any, improvements would you recommend for this stage of the process? Please give examples.

**Stage 4: Publication of statement of response by water companies**

2.35 Did you encounter any problems with this stage?

Yes

No

2.36 Please comment on your answer, outlining any problems and what you think caused them (provide examples if possible).

2.37 What do you think worked well in this stage? Please give examples.

2.38 What, if any, improvements would you recommend for this stage of the process?		
<b>Stage 5: Public hearing or inquiry on a plan</b>		
There are 2 sets of questions - the first set are for respondents engaged in or affected by plans that were not the subject of a public hearing or inquiry, the second set are for respondents engaged in or affected by the Thames Water/South East Water inquiries and Portsmouth Water call to an inquiry/ hearing.		
<b>For respondents not engaged in or affected by a public hearing or inquiry</b>		
2.39 Did you feel that your views on the WRMP were taken into account despite not having a public hearing on inquiry?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.40 Please provide details (with examples if possible).		
<b>For respondents engaged in or affected by the Thames Water and SE Water inquiries or the Portsmouth Water call to an inquiry/hearing</b>		
2.41 What was your input to the public inquiry or hearing?		
2.42 Did you encounter any problems with this stage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.43 Please comment on your answer, outlining any problems and what you think caused them (provide examples if possible).		
2.44 What do you think worked well in this stage? Please give examples.		
2.45 What, if any, improvements would you recommend for this stage of the process? Please give examples.		
2.46 What was the cost of the inquiry process to you?		
<b>Stage 6: Final plan publication [where this stage has been reached in your area]</b>		
2.47 Did you encounter any problems with this stage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.48 Please comment on your answer, outlining any problems and what you think caused them (provide examples if possible).		
2.49 What do you think worked well in this stage? Please give examples		
2.50 What, if any, improvements would you recommend for this stage of the process? Please give examples.		
<b>Stage 7: Annual review of plan [where this stage has been reached in your area]</b>		
2.51 Did you encounter any problems with this stage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
2.52 Please comment on your answer, outlining any problems and what you think caused them (provide examples if possible).		
2.53 What do you think worked well in this stage? Please give examples.		



2.54 What, if any, improvements would you recommend for this stage of the process?  
Please give examples.

**Part 3 - General**

3.1 If there are any other comments you would like to put forward to this review that we have not covered in the questions in Parts 1&2, please give these below.

Many thanks for completing the questionnaire. Please save it and e-mail to [sarah.ridley@dft.gsi.gov.uk](mailto:sarah.ridley@dft.gsi.gov.uk) .

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