

Waterwise Response to Defra Discussion Document on the Natural Environment

October 2010

Overview

Waterwise welcomes this Discussion Document and the strategic direction it sets for protecting the natural environment and its value at many levels. This Waterwise paper focusses on the need for measures to be taken to ensure greater sustainability in water use in coming decades – reduced river flows, as well as pollution, impact on the natural environment.

Question 1 – What do we need to do to embed the true value of our natural resources in decision making at all levels?

a. How can we reflect all the different kinds of value described above?

Question 2 – Have we identified the right overarching challenges for the White Paper to consider?

a. If not, what should we focus on?

b. How should we approach these challenges?

Waterwise supports the three broad challenges set out in the document, of climate change, demographic changes and incremental impacts. Increased water efficiency – which Defra Ministers are also committed to through the Structural Reform Plan – can help address all three of these challenges.

Water efficiency – wasting less water – is an essential part both of adapting to climate change and building resilience into our systems, and tackling climate change. Water efficiency is an economic, social and environmental opportunity – it has an important role to play in the green economy, the big society and safeguarding the environment. It can also help reduce the deficit (through reduced water and energy bills in the public sector).

Water efficiency is vital in adapting to the climate change the UK is already seeing and cannot avoid, despite action now – underpinning the statutory National Adaptation Programme for England – as well as slowing its impact through reduced carbon emissions. Both hot and cold water efficiency measures are important even once the electricity grid is fully decarbonised, because there can be no such thing as a zero water house, and because gas, on which there is a huge reliance for water heating, cannot be fully decarbonised. So water efficiency can impact on the natural environment by reducing carbon emissions and slowing the rate of climate change, but it can also help reduce abstraction pressures and the need to supply more water as population increases, in many cases in the very areas where

climate change impacts mean less water availability. Reduced river flows, as well as pollution, impact on the natural environment.

Waterwise would therefore like to see greater water efficiency in the water sector and across the public and private sectors, in the forthcoming Water White paper and more widely in government policy, to protect the natural environment, as well as the wider value of water to the natural environment, society, the economy, wellbeing, health and community cohesion, including scarcity value. Abstraction licensing should be reformed to reflect this, and trading considered, as well as time-limited abstraction licences. [Waterwise's White Paper](#) sets out proposals to achieve this across the economy – alongside further developing the big society (through customer engagement in community retrofitting and behaviour change partnerships) and reducing the deficit (through reduced water and energy bills across the economy).

Question 3 – What are the existing policies and practices aimed at protecting England's natural assets (including but not limited to those set out above on our biodiversity, seas, water bodies, air and soil) that currently work most effectively?

a. What works less well – what could we stop doing or do differently?

Question 4 – What mechanisms should we focus on to ensure we manage our natural systems more effectively in future?

a. How should we define success?

b. How can we agree on common goals and assess our progress towards them?

The water industry in England (and Wales) is currently incentivised towards supply-side measures – in the context of climate change and population growth this is already leading in some areas of England towards detrimental impacts on the natural environment. England's iconic chalk streams are one example of this.

This situation means that the full long-term value of water, in economic, social and environmental terms – for example its value in different places at different times - is not reflected. There is a strong bias towards capital expenditure because this contributes to the regulatory asset base. This bias acts as a barrier to large-scale water efficiency – this is despite the Revenue Correction Mechanism which Ofwat has introduced, which is welcome, but will only bite every 5 years, so does not drive year-on-year supply-demand investment decisions. The water companies are undertaking excellent work, retrofitting tens of thousands of homes at no extra cost to the customer, including in conjunction with large-scale metering programmes, and encouraging customers, schools and businesses to waste less water. But this is a very small proportion of the amount they spend on supply-side measures. Water efficiency needs to play a greater role in the regulatory framework for water, and Waterwise is working with Defra to reflect this in the forthcoming Water White Paper, which Defra's Structural Reform Plan commits to framing around the need to ensure more efficient use of water and protect poorer households.

Waterwise has a set of proposals to reform the water industry to this end, which it is feeding into the Water White Paper.

Question 5 – How best can we reduce our footprint on the natural environment abroad, through the goods, services and products we use?

It is important to reduce the global water footprint of goods and services in the UK, and Waterwise has undertaken research and practical projects with the private sector to this end. However, there is as yet no agreed methodology, and tracing the water footprint of even one product through the supply chain is complex and time-consuming. There are immediate and simple measures now which can save water (and carbon) through both fixtures and fittings and individual and organisational behaviour, and these should be pursued in the first instance. Further research needs to be undertaken to establish an agreed methodology for water footprinting – or “hot-spotting”, which traces the footprint of an individual product through the supply chain. Waterwise has expertise in this area in terms of both research and practical implementation in the private sector.

Question 6 – What best practice and innovative approaches to protecting and enhancing our natural environment do you think should be considered as we develop the White Paper?

See above.

Question 7 – How best can we harness and build on public enthusiasm for the natural environment so people can help improve it through local action, as informed consumers or by shaping policy?

Question 8 – What should be our vision for the role of Civil Society in managing and enhancing the natural environment and for engaging individuals, businesses and communities in setting the agenda for that work?

Waterwise has worked with WWF on a campaign to link water use in homes with impact on the local river. Such retrofitting and behaviour change campaigns can be a key deliverable of the big society.

Question 9 – How best can Government incentivise innovative and effective action on the natural environment, across England, at the local level?

- a. How best can local Government and other local partners work together to improve local outcomes on the natural environment, and pursue a more integrated approach linking a healthy natural environment to economic prosperity, sustainable development and a better quality of life, health and wellbeing?**
- b. What are the most effective mechanisms for managing the natural environment where cross-boundary issues are involved, and making the link to other mechanisms for economic growth, transport and planning?**
- c. How best can the value of the natural environment be considered within local planning?**

The value of water in the natural and local environment needs to be better reflected in regulation of the water sector itself (see above) but also in the public sector’s own behaviour and policies, on water efficiency and adaptation planning, as well as the advice it delivers to the private sector on these issues.

Question 10 – How best could the economy reflect the true value of nature’s services in the way business is done, to drive smarter, greener growth?

Question 11 – Responsible businesses are already looking for ways to reduce their impact on the environment. How can we encourage more action like this?

Government should include water efficiency auditing and actions in its advice on adaptation planning to the private sector. This will reduce water and energy bills as virtually all businesses are metered for water (unlike households).

Question 12 – What are the barriers to joining up and seeking multiple benefits from our natural assets?

Question 13 – What are the barriers to thinking big and taking a landscape scale approach to managing our natural assets?

Question 14 – What should be the priorities for the UK’s role in EU and international action, to protect and enhance the natural environment at home and abroad?

Question 15 – If you could choose just one priority action for the Natural Environment White Paper to drive forward locally, nationally or internationally – what would it be?

Reflecting the value of water in the natural environment – working with stakeholders to define what this wider value should be, as well as how it can be reflected, but, importantly, in the meantime, and before this is agreed, working to deliver more of what is generally accepted as the “value” of water than is currently being delivered in the regulatory framework. Incentivising greater water efficiency and reforming abstraction licensing are two important steps in this direction.

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