



# Water Resources Management Plan 2019

Six-monthly Review  
End September 2021

## WRMP19 Six-monthly Review

### A.1 Purpose of this report

1. Water companies are required to produce a Water Resources Management Plan (WRMP) every five years which sets out how the company intends to provide a secure and sustainable supply of water to its customers, whilst protecting the environment.
2. In April 2020 we published our Final WRMP19. We developed WRMP19, which covers the next 80-years from 2020 to 2100, based on insights from customers and we also engaged extensively with stakeholders and regulators throughout the development of the plan.
3. This document is the mid-year update report for reporting year 2021/22. The full year Annual Review will be published in June 2022.

### A.2 Key Messages

#### **Our WRMP19 remains valid**

4. We have checked our current position against the strategic messages established by WRMP19 and can confirm that the foundation of WRMP19 is robust and remains valid as a basis for future planning.
5. We remain committed to delivering substantial programmes of demand management alongside resource development in a twin track approach.
6. We continue to see 2022/23 as the key decision date for the selection and delivery of strategic resource options, for delivery by 2030/31 and 2037/38, assuming these dates remain in the further planning lead by WRSE.
7. We also continue to believe that, in addition to our substantial demand management programme, a water recycling option, the South East Strategic Reservoir Option (SESRO) and a Severn-Thames transfer (in that chronological order), represents the best overall value combination of schemes to secure future regional supplies based on the work completed to date.

#### **We are fully supporting regional planning and working closely with our neighbours**

8. We are working very closely with Water Resources South East (WRSE) to develop a multi-sector, regional resilience plan for the South East.
9. This plan will consider the long-term needs of the region as a whole, both public water supply and other water users such as agriculture, energy generation, and solutions that will provide the best value for society and the environment, looking beyond individual water company boundaries. It will be reflected in our own WRMP24.
10. We are fully supporting WRSE in the development of the regional plan, embedding technical staff and providing procurement support to facilitate the delivery of its extensive programme of work, alongside our own.
11. We are also working collaboratively with other water companies outside the South East to investigate Strategic Resource Options (SROs) which could provide a resilient and sustainable water resource to the South East.

12. The focus of work in this reporting period, having collated datasets and developed technical methods, approaches and tools in the previous year, is to carry out programme appraisal to identify an initial emerging plan, which will be the cost-efficient plan, the draft will be available for public consultation in January 2022. Following the January – March consultation further work will be undertaken to develop a best value plan for the region.

**We will plan for resilience to an extreme drought**

13. The Water Resources Planning Guideline for WRMP24 indicates that we should plan for resilience to an extreme drought with a return period of 1:500 years by 2040. We support this move given the deleterious impacts on the economy, society and environment of introducing extreme drought measures.
14. Our WRMP19 preferred plan is adaptive and considered the impact of increasing drought resilience.
15. We would be able to increase resilience to 1:500 upon delivery of SESRO in 2037/38. The impact would be to bring forward the Severn-Thames transfer to support the SESRO option from the mid-2040s rather than as currently set out in our WRMP19 in the mid-2080s.
16. Increasing resilience places renewed importance on decision making in 2022/23.

**We have consulted on our new Drought Plan**

17. During periods of exceptional shortage of rainfall, we have an operational Drought Plan that sets out the steps and measures we will take to ensure supplies are maintained. The Drought Plan is updated every 5 years. We published our updated draft Drought Plan for public consultation in June and followed this with a Statement of Response to representations received in September. Defra is now reviewing the response and we hope to publish the Final Plan in early 2022.

**We are focussed on delivering significant demand reductions**

18. We have committed to deliver substantial leakage and usage reductions by 2025 and beyond.
19. Monthly leakage management progress updates are provided on our website.
20. Delivery of some elements of our water efficiency and metering programmes have been disrupted by measures to control the Coronavirus outbreak, but we have actively pursued alternative, innovative ways to support our customers to make usage reductions.
21. We are watching the situation carefully to understand any medium to long term variation in household or non-household demand, caused by changes in both work and lifestyle post-COVID.
22. In our Annual Review in June 21 we noted two potential opportunities to deliver an accelerated demand reduction programme via the Government's 'Green Recovery' scheme and via extra investment in our water network in London, jointly funded by our shareholders.
23. We have actively taken these opportunities forward in the last 6 months and we are currently considering the impacts they will have on our existing demand reduction programmes. For example, we intend to bring forward some of the activity planned for 2025-2030 into the period to 2025 and to target the activity to help manage any emerging supply demand balance risks.

- We continue to develop options to ensure a secure and sustainable water resource base**
24. We are progressing work on Strategic Resource Options (SROs) in collaboration with other water companies, which were funded by Ofwat as part of the Final Determination on our Business Plan. This work is overseen by the Regulators' Alliance for Progressing Infrastructure Development (RAPID), comprising the Environment Agency, Ofwat and Drinking Water Inspectorate (DWI).
  25. The five SROs we are investigating are:
    - South East Strategic Reservoir Option (SESRO) (with Affinity Water)
    - Severn-Thames Transfer (with Severn Trent Water and United Utilities)
    - Water re-use, or recycling, in London
    - Thames Water to Affinity Water Transfer (with Affinity Water)
    - Thames Water to Southern Water Transfer (with Southern Water)
  26. We are following a regulatory gated process that has been introduced and provide quarterly progress reports to RAPID and submissions at the specified 'gates'.
  27. In July we submitted the Gate 1 reports as agreed with the regulators. We are pleased to report that all five of the options we are involved in will be progressed to Gate 2.
  28. We will continue to work collaboratively with other water companies, RAPID and regulators to examine these schemes and will engage with the stakeholder community as this work progresses.

**We are engaged with our customers and stakeholders**

29. Stakeholder and customer engagement are an important part of developing the South East regional plan and our WRMP24. We continue to engage with the wide stakeholder community, who have an interest in water resources, to share information on the plans to build their understanding on the work underway and provide the opportunity to feedback and shape the plan. This includes other water using sectors, environmental organisations and catchment partnerships.
30. We have designed an approach to ensure we engage fully with all sectors that use water in the region, to ensure the plan delivers long-term environmental improvement across the region meeting the expectations of the Environment Agency and other stakeholders as far as possible, and takes account of the views of the wider stakeholder community and customers across the region.
31. We also engage with the Environment Agency on a range of water matters, including monthly meetings to discuss work underway to inform WRMP24, and topic specific meetings such as the meeting in early October focused on water reuse. The purpose of these discussions is to share information at an early stage and provide opportunity for the EA to consider the information and feedback at a formative stage of the work.
32. We will share information, and provide opportunities for input, at formative stages in the development of the regional plan and listen and respond to feedback.

## A.3 Forward Look

### Overview

33. We are on track to remain in supply demand surplus at the end of the year, although we are watching carefully our Thames Valley WRZs that have been impacted by Covid19 demand increases.
34. The second half of this year will see continued operational focus on delivering the programmes of demand management.
35. Leakage is being closely monitored to give early visibility of any emerging challenges as we approach the difficult winter period.
36. The planning teams will continue to work closely with WRSE to develop the draft regional plan – which will be published for consultation in January 2022.

#### **Risks/Concerns**

- Resilience achieving severe drought resilience (1:200) by 2030/31
37. Our WRMP19 includes achieving 1:200 drought resilience by 2030/31. This is predicated on our delivery of substantial demand management programmes and resource development schemes such as Deephams reuse scheme. The Environment Agency has raised new concerns in relation to the Deephams reuse scheme beyond those raised previously, as part of WRMP19, which indicates it might no longer be feasible and cannot progress. We are reviewing all London re-use options with regulators to identify which scheme is acceptable and whether it will deliverable by 2030/31.
    - Environmental Destination and overlap with other abstraction reform
  38. The scale and pace of reaching desired environmental destinations will be an important driver to the regional plan and WRMP24. We are continuing to work with the Environment Agency on this, plus working with the wider environmental stakeholder community to share and build consensus for our approach. We remain concerned about the supporting evidence for some of the higher end reduction estimates and the potential overlap with other Environment Agency initiatives such as Abstraction Licence Capping.

*This document has been updated in response to feedback from the EA and republished in April 2022.*

## A.4 Monitoring Plan progress summary

Element	Area/Scheme	Progress Summary
Water balance Summary	Supply Demand Balance	We remain on target to deliver and maintain a positive supply demand balance in all our Water Resource Zones.
	Demand (DI)	
	Supply (WAFU)	
Growth	Population	We have been active members of the regional demand forecasting sub-group. Plan-based population and property forecasts (and alternatives for sensitivity testing) have been developed for the region, in line with the expectations of the new Water Resources Planning Guideline. PCC has been affected by the Covid-19 pandemic and all water companies have seen increases in household consumption over the year as working/lifestyle patterns have changed. More than ever this demonstrates that we all have to act together to reduce demand,
	Properties	
	Per Capita Consumption (PCC)	
AMP7 Delivery - Demand options	Leakage	We remain committed to a substantial programme of demand management in AMP7. We will continue to drive down leakage, install water meters and encourage the efficient use of water. We have also taken advantage of two opportunities for additional funding to potentially increase activity in AMP7.
	Metering	
	Water Efficiency	
AMP7 Delivery – Supply options	New River Head	We have agreed an extension of our water trading agreement with RWE Didcot and have begun design works on all the groundwater developments.  Recommissioning of the New River Head abstraction borehole is currently deferred with additional ground investigation boreholes required to confirm the scope of works. Subject to the findings and cost for ground improvement, the New River Head borehole would be a relatively quick project to deliver so could be used to help close an unexpected supply demand gap if necessary. We are developing the scope and programme work for the Southfleet & Greenhithe scheme (commissioning the existing boreholes and a new water treatment works), but the need for delivery is yet to be confirmed. As such, the scheme remains deferred as reported in AR21.
	Horton Kirby	
	Southfleet & Greenhithe	
	RWE Didcot	
	Ladymead	The Horton Kirby and Ladymead schemes are progressing to target.

Element	Area/Scheme	Progress Summary
Option Studies	Effluent Re-use (Deephams)	All Strategic Resource Option Gate 1 reports were completed and submitted to RAPID to agreed timescales. RAPID has published its draft decisions (September 2021) in which all 5 options will be taken forward to Gate 2.
Strategic Regional Option studies	Effluent Re-use (LON)	
	SESRO	Discussions with the Environment Agency regarding effluent re-use and direct river abstraction (augmented by re-use) are at a crucial stage. See Forward Look section.
	Severn-Thames Transfer	
	Transfers to Affinity	Pending the outcome of the discussions on re-use, we are confident that our knowledge of each of the options will be sufficient to inform the decision point for option development in 2022/23.
	Transfers to Southern	
Regional need	WRSE	<p>The development of the regional plan is at a critical stage ahead of publication for consultation in January 2022.</p> <p>The WRSE Group has shared initial findings with neighbouring regional groups as part of the regional reconciliation process and will be taking the results into account ahead of consultation in January 2022.</p> <p>Modelling continues at pace as a part of the programme appraisal process, the outcomes of which will lead to the identification of the initial best value plan, published in January.</p>
Environmental need	Water Industry National Environment Programme (WINEP)	<p>We continue to work with the Environment Agency to deliver the AMP7 WINEP programme, with no concerns to report at this stage.</p> <p>We are proactively engaging with stakeholders and regulators to determine the future environmental requirements and ambition for the WRSE region and company specific scenario modelling, recognising that this will be an important driver in shaping future plans.</p>
Resilience required	Drought resilience	<p>We note the WRPB requirement to plan for resilience to extreme 1:500 drought. We are currently working alongside WRSE to model the potential scale of the impacts.</p> <p>We included a 1:500 scenario in our WRMP and our plan is adaptive to this as long as the requirements are brought in a managed and timely fashion alongside the strategic resource option development programme.</p> <p>We raise risks to the timeline for 1:200 drought resilience in the Forward Look section.</p>

