



Water Resources Management Plan 2024

Foreword by Chris Weston,
Chief Executive Officer

Welcome to our final Water Resources Management Plan 2024.

It is our responsibility to provide a reliable supply of quality drinking water to all our customers and businesses, now and in the future. Our Water Resources Management Plan (WRMP), approved by the Secretary of State, shows our commitment to making sure there is a secure supply of water for decades to come.

The scale of Thames Water's operation today is remarkable and easy to take for granted. We deliver 2.6 billion litres of safe drinking water to 10 million customers every single day. This service is provided through a vast network of infrastructure that is suffering from a history of underinvestment, with most of it in one of the most congested cities in the world. At the same time, our operating environment is more challenging today than it was even a decade ago. Our water resources are under pressure from hotter, drier summers and more frequent droughts; recent weather events such as the drought of 2022 have informed the importance of planning for an uncertain future. The Environment Agency has recognised this by designating our region as seriously water stressed.

Looking to the future, all the evidence shows that these challenges will become more severe. The effects of a changing climate, a growing population and the need to reduce the amount of water we take from our rivers and chalk streams are all key drivers of investment in our plan. We forecast that, if we do nothing, by 2075 we could end up with a deficit of 1 billion litres per day. This is a significant challenge and it's critical that we plan now to ensure we have the water we need for generations to come.

The challenges we face are bigger than just one company. We have worked with neighbouring water companies, through Water Resources South East, to co-ordinate a regional response. This collaborative approach has allowed us to look beyond our boundaries and play our part in making the right decisions for customers and the environment across the whole of the South East region. This regional planning has informed and shaped our own statutory WRMP.

The vital importance of water for all of society, and for the environment, means that we can't create this plan on our own. In late 2022 we published a draft plan, setting out the actions and investment needed to secure future water supplies. We sought and received your feedback through consultation and have improved our plan based on the feedback we received. We want to thank everyone - our customers, local communities, regulators and stakeholder groups – who participated in this consultation process.

By talking to our customers and stakeholders, and working in collaboration with neighbouring water companies, we have created a plan that reflects the needs of our region and meets them in the most effective way. Our priority is to manage the water we have efficiently, including tackling leakage and using water wisely. We've already made good progress, cutting leakage by 9 per cent over the last four years, and by 18% since 2018. But this is not enough. We remain committed to halving the amount of water lost through leaks in our water pipes and from customers' pipes by 2050, transitioning from patching up our network to a programme of renewal.

We will also install more than one million smart water meters in customers' homes. This will enable people to reduce their daily water consumption and play their part in reducing the amount of water we take from the environment. Smart meters not only enable us to help customers reduce their water usage by providing personalised water saving advice, but with close to a quarter of leakage on customer's pipes, it also allows us to help fix these.

We've committed to supporting our customers to achieve a daily water use of 110 litres per person by 2050. With current water use in our area at around 140 litres per person, this will be very challenging.

Together, these demand reduction measures of customer usage and leakage will make up around 80% of the forecast shortfall. To be successful, we will need support from government through changes to policy and regulation that make homes and water-using appliances more water-efficient, as well as close working with local authorities and our customers.

This ambitious plan to reduce demand won't be enough on its own to bridge the gap between supply and demand. Our plan includes the need for two new major sources of water. The first is a new river abstraction and water recycling scheme in west London, which will be used from the early 2030s onwards. The second is a new reservoir in Oxfordshire to be completed by 2040. The reservoir will be developed in collaboration with Affinity Water and Southern Water. We recognise that major infrastructure projects can cause disruption, and we are working closely with local communities to develop plans that reflect their feedback.

The investment needed to safeguard our future water supplies and to protect the environment will be paid for from customers' water bills. Continued access to private finance means that we can smooth the cost of this investment over decades to come, limiting the impact on bills in the near term. We recognise that, however modest, this impact comes at a time when many of our customers are facing financial pressures. By 2030 we will increase by almost 70% the number of customers receiving financial support with their bills, providing an average discount of 59% for customers on our social tariff. But our work, and that of others across the industry, has shown that the risk of not acting now will lead to higher costs in the future. Putting off vital investment now and not planning for the future will inevitably lead to a deterioration in service and unfairly burden future generations.

Our region faces substantial pressure on its water resources. The approval of our plan is a vital step to meet the needs of an increasing population, protect and improve the environment, and manage the risks from a changing climate.

In delivering our plan, we'll invest in new world-class infrastructure projects, continue to drive down leakage and reduce demand for water. In turn, this will significantly reduce our reliance on groundwater sources that draw from chalk streams, protecting our local environment.

I am pleased to publish our Water Resources Management Plan 2024. Water is essential, so we must work hard to deliver this plan if we are to provide security for everyone in an increasingly volatile world. To do this will require collaboration with government, regulators and local communities. By working together we can fix the problems of today and build the resilience we need for tomorrow.

Chris Weston

Chief Executive Officer, Thames Water