

WRSE draft regional plan consultation Sheridan House, 40-42 Jewry Street, Winchester, Hampshire, SO23 8RY

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Consultation: Water Resources South East Draft Regional Plan

Hampshire & Isle of Wight Wildlife Trust is increasingly concerned about the management of our collective water resources as we see pressures from abstraction and pollution on legally protected and important sites for wildlife, including some of the Trust's nature reserves and the internationally renowned and legally protected chalk streams.

We are pleased to see that the regional plan takes steps to reduce reliance on abstraction from our chalk streams by tackling leaks and implementing water efficiency measures. However, we consider that the plan must go further to place the environmental limits of our river catchments at the heart of decision-making and ensure that the highest environmental ambition scenario is delivered.

We have concerns that the 'best-value approach' does not effectively consider the environmental impacts and recommend a natural capital approach to cost benefit assessments of all investments. Furthermore, the best-value approach could be overruled by customer, stakeholder and shareholder views which could further dampen environmental ambition – something we cannot afford to do.

Currently <u>nearly a fifth</u> of our surface waters, and over a quarter of groundwaters, do not have enough water to protect the environment and to meet the needs of fish and other aquatic life, and this situation will only worsen with climate change and increases in demand.

Reducing abstraction from our precious chalk streams

One of the Trust's key priorities is to encourage the water companies within the WRSE to vastly reduce their reliance on abstraction from our chalk streams, especially the designated River Itchen SAC. With climate change increasing the frequency and severity of droughts, we must see accelerated plans to develop long-term, more sustainable, solutions that rapidly reduce abstraction and eliminate the use of drought permits.

In particular, we consider that the water companies must reduce reliance on short-term mitigation measures in future and provide better long-term resilience for our internationally important chalk streams. It's vital that the water companies secure an alternative water supply as soon as possible to protect our chalk streams, yet the draft Water Resource Management Plan for 2024 outlines that no

additional large scale water resource solutions will be available until early 2030. We would like to reemphasise that under Section 20, Southern Water are legally required to use all best endeavours to find an alternate water resource to abstraction from the River Itchen.

We are pleased to see that some areas in the regional plan will be prioritised for abstraction reduction, in particular around Winchester where the plan states an 80-100% reduction in abstraction under the high environmental ambition scenario. We would, however, like to see this level of reduction across the entire River Itchen SAC catchment and other chalk streams across the region. However it is unclear to what extent this scenario exceeds the minimum environmental requirements set out in the Environment Agency's BAU+ scenario. BAU+ represents the *minimum* level regulators expect water companies to plan for through their WRMPs, whereas the enhanced scenario takes into account additional long-term requirements for sites with environmental designations, principal salmon rivers, and chalk streams. Given the environmental importance of the environment in the south east, and the responsibility of WRSE water companies for securing the recovery of a globally important chalk stream resource, we would expect to see a clearer commitment to applying the most sensitive flow constraints on these rivers. In addition, it would be helpful to see pathways that are not compliant with minimum environmental standards marked as such, in order to aid customer understanding of the alternative scenarios.

We are very concerned that between 2025 and 2045, this plan states that 13% of the region's water supply will be coming from drought orders and permits. We remain unconvinced that the drought permit won't have a detrimental impact on the internationally renowned and legally protected chalk streams such as the River Itchen SAC and SSSI. Where there is uncertainty in the impacts on designated sites, we should adopt the precautionary principle ensuring the needs of the environment are definitely being met until the evidence shows that any additional abstraction will not result in unacceptable impacts on it.

Investigations linked to meeting future environmental needs are scheduled to be carried out by WRSE water companies over the next ten years. We recommend that these are completed within the next investment period (2025-30), so that scheme delivery can be the focus post-2030. We would also welcome any opportunity to bring the environmental decision point further forward; WRE's plan for example broadly sees decisions on further licence reductions to meet the needs of the environment being made by 2030.

We must strongly reiterate the importance of water efficiency measures, reducing leakage of supply pipes, water recycling and bulk water transfers to ensure that abstraction to a potentially damagingly low HOF level is truly a last resort measure.

Reducing personal and non-household water consumption

We are disappointed that the draft plan shows regional household water use (per capita consumption) will only drop to 115 litres per person per day (lppd) by 2050, despite Defra's national target to reduce household consumption to 110 litres per person per day by 2050. We need to see much more ambition considering the South East is a particularly water stressed area and facing significant water supply deficits.

But we want companies to go further, the plan should adopt a long-term target of reducing PCC to 100 l/p/d or less by 2050, (a level of consumption already achieved across several European countries). The current 110 l/p/d planning assumption for that date was agreed to be appropriate in the absence of new positive government policy; the Government is now taking forward mandatory water labelling and will publish a roadmap to reduce NHH demand. It shows little evidence of where and how this water is being used and most have very little water efficiency in homes, making faster reductions viable.

Around 25-30% of public water supplies are used outside the home, for example in schools, shops, gyms and businesses. There is a huge opportunity to reduce this non-household (NHH) demand. Government's Environmental Improvement Plan confirms non-household use should be reduced by 9% by 2038 and 15% by 2050 as a contribution towards achieving Environment Act targets, so the final plan should include more detail on how this will be supported. Ofwat, for the first time, has included a specific performance commitment to reduce NHH demand.

Despite this, the regional plan projects that NHH water consumption will increase by 2050 and fails to set out any measures e activity or investment planned to specifically help NHH users save water. There is a big gap between what the government and regulators expect and what the draft plan will deliver which needs to be bridged before the final plans are published.

Reducing personal and non-household water use should be a priority to prevent unnecessary damaging abstraction from important and legally protected chalk streams across the region.

Leakage reduction

We are pleased to see this plan aims to meet the government ambition to half leakages by 2050 from 2017/18 baseline. We agree that water companies must prioritise leakage reductions in order to reduce the amount of water that is abstracted. Not only is around 16% of the South East's supplied water (distribution input) being wasted, but leakage is also wasting the energy and chemicals used for abstracting, treating and pumping the wasted water through the network.

While three-quarters of UK water companies reportedly on track to meet leakage targets according to Ofwat, Affinity Water and Southern Water are currently failing to meet the government target. We must see real progress on tackling leakage reductions over the period of this plan considering leakage reduction could make up a significant proportion of where we get our water from.

Reducing the water footprint of new developments

A proportion of the potential supply demand deficits in the regional plan are driven by the need to provide water to support new developments. However, there is no reflection of the role that water neutrality could play, despite this being a live issue already for WRSE companies (e.g. Sussex north requirements, Thames' incentive scheme). We consider the plans should promote a position where any large-scale developments should be water neutral, particularly in areas with water deficits and where abstraction licenses are being capped or reduced to protect legally protected habitats.

In particular, water companies in the South East should be proactively working with local authorities and developers to minimise the water demand footprint of new development focusing on those areas under greatest growth, abstraction and environmental pressure.

Delivering more for nature – going beyond 10% Biodiversity Net Gain

It is extremely welcome that key branch points in the adaptive plan have been brought forward from 2040 and 2060 in the emerging plan, to 2030 and 2035 in the draft regional plan. This means that decisions on the schemes needed to deliver environmental improvement will be taken, and those schemes then delivered, much earlier.

While we are pleased to see an increased weight on environmental decisions within the regional plan, we want the regional plan to go further to put the environment at the heart of decision making, invest in nature-based solutions, incorporating a natural capital approach to cost benefit assessments, and adopting a target to exceed Biodiversity Net Gain requirements.

Under the Environment Act (2021) any works requiring planning permission are required to leave nature in a better state than which it was found, through Biodiversity Net Gain. The emerging regional plan consulted on in spring last year appeared to consider biodiversity as simply a factor to be weighed up against others, rather than a legal obligation. The Technical Appendix to the draft plan shows that the options decision-making process was based on modelling that factored in 10% Biodiversity Net Gain (BNG). But with a legacy of environmental degradation, we must see water companies and the regional plan go further.

All water companies should adopt a target of 20% Biodiversity Net Gain for the Price Review, in line with the industry's commitment to 'champion measures through which water companies can enshrine what it means to operate in the public interest'. Showing leadership by adopting a target greater than the minimum 10% is entirely fitting for a sector that benefits from a healthy water environment.

No reference is made in the plan to Local Nature Recovery Strategies; these should be used to guide delivery of BNG to ensure that preferred options contribute more strategically to the recovery of nature.

Nature-based solutions

We are pleased that the regional plan highlights the value of nature-based solutions for securing water resources but also for providing multiple benefits – reducing pollution, lessening flood risk or boosting biodiversity. We are pleased that the plan seeks to develop the evidence base for nature-based solutions to inform future water resource planning.

To drive natural capital increases, we must overlap with natural capital approaches for water quality and flood risk management, as similar interventions (such as wetland habitat creation) can improve water quality, regulate peak and low flows and reduce flooding. A 'multiple benefits' approach to investment in natural capital for water related benefits is therefore an efficient approach. There is also immense opportunity for water companies to invest in nature-based solutions in order to minimise business risks that arise from depleting the natural capital assets upon which they depend and to ensure the natural assets are resilient to future challenges.

Is it therefore disappointing that only schemes on the Test and Itchen in Hampshire are included. We consider the benefit of such solutions as being the resilience they provide to those waters from which abstraction occurs, and query whether the plan could do more to make the case for the inclusion of such schemes and to help build the evidence base so that nature-based solutions can be more readily employed in future.

The plan could also do more to factor in that the nature-based solution schemes are important from a climate perspective to help river systems to adapt to a changing climate. We would also urge the plan to adopt a natural capital approach to cost benefit assessments for all investment rather than decisions made on financial costs alone.

Hampshire Desalination plant

We are encouraged that Southern Water is no longer progressing the Desalination Plant proposal on the Solent, for which we raised serious concerns about the impact the brine discharge would have on wildlife and the designated areas of the Solent.

'Hampshire Water Transfer and Water Recycling Project' at Havant Thicket Reservoir

The Trust has been involved in reviewing the Havant Thicket Reservoir proposals for several years, including through the Havant Thicket Stakeholder Board.

We have been made aware of a number of concerns raised by the community regarding the environmental impact of 'Hampshire Water Transfer and Water Recycling Project' proposals for Havant Thicket. We therefore seek firm commitments, supported by robust evidence, that the proposals would not adversely impact the River Itchen Special Area of Conservation (SAC) or Chichester and Langstone Harbours Special Protection Area (SPA), the Solent Maritime SAC, the Solent and Southampton Water SPA and Ramsar and, Portsmouth Harbour SPA and Ramsar.

Reduce reliance on abstraction in our internationally renowned chalk streams

One of the Trust's key priorities is to encourage Southern Water and Portsmouth Water to vastly reduce their reliance on abstraction from our chalk streams, especially the designated River Itchen SAC.

In principle, the Trust would not object to a solution, such as wastewater recycling, that would reduce reliance on abstracting water from our chalk streams. However, the implementation of measures designed to address this issue, should not come at the expense of unsustainable downstream environmental impacts.

We are concerned that water companies can continue to abstract, including in periods of drought, from our internationally renowned chalk streams such as the River Itchen Special Area of Conservation up until 2040. We urge water companies to accelerate a range of measures to reduce reliance on abstraction from our chalk streams as quickly as possible. However, they must also carefully consider and assess the potential impacts of these proposals on other designed sites including the harbours and the Solent, a legally protected ecosystem which is already under immense pressure due, in part, to the legacy of routinely discharging treated and untreated effluent into our rivers and seas.

Impacts to our legally protected harbours in the Solent

Currently, we do not consider that Southern Water has assessed the environmental impact of the 'Hampshire Water Transfer and Water Recycling Project' on the designated Solent Marine Sites. In particular, we urge Southern Water to provide more information, including a Habitats Regulations Assessment (HRA), on what will be directly discharged into the Solent as a result of this project and the potential impacts on the designated sites.

In particular, we seek confirmation that the net benefit of the Havant Thicket reservoir on nutrients in the designated harbours will be maintained. We would like to see accurate detail of the potential increase in inputs through the Lavant and Hermitage Stream and also the volumes and composition of the outputs through the long sea outfall.

Considering the significant public concern, we urge this information to be provided in time for a robust consultation on the proposals in the summer.

Impacts on the ecosystems at Havant Thicket reservoir

During the initial proposal and consultation for Havant Thicket reservoir, we were pleased to see the creation of new wildlife habitats integrated into the reservoir design. The wildflower-rich outer slopes would create much-needed pollen and nectar for insects and the wetland is probably the main feature of interest from an ecological point of view within the locale of the reservoir.

Furthermore, technical analysis from Natural Capital Solutions suggests that there is a large increase in the ecosystem services benefits that may be derived from the reservoir project worth approximately £2,243,667 annually in a normal year, rising to £4,913,467 annually in a drought year.

We need to see clear evidence provided by Southern Water and Portsmouth Water that the water recycling proposals for Havant Thicket will not undermine the net gain for wildlife or the ecosystem services provided by the project.

Tackle sewage issues and provide robust ecological evidence on impacts to build trust

It is of the utmost importance that the proposals for the 'Hampshire Water Transfer and Water Recycling Project' are correctly scrutinised to ensure it doesn't have an adverse impact on the designated sites and provides a sustainable long-term solution to abstraction from our chalk streams. This necessitates additional engagement and scrutiny beyond what has taken place so far.

Although out of scope of this plan, we consider that Southern Water's efforts so far haven't been sufficient in tackling water quality and supply issues, considering that the most recent Environment Agency water and sewage companies environmental report found Southern Water to be performing significantly below target on security of water supply, the worst performing company in the country. This has ultimately led to an understandable level of skepticism within the local community regarding Southern Water's ability to deliver these wastewater recycling plans without adverse ecological impacts on highly designated sites.

The Trust is clear that water recycling could be an essential component of a suite of measures needed to help us reduce reliance on chalk streams, if accompanied by robust ecological analysis. We must urgently see robust evidence that the proposals would not adversely impact any legally protected habitats, including the Chichester and Langstone Harbours Special Protection Area (SPA), the Solent Maritime SAC, the Solent and Southampton Water SPA and Ramsar and, Portsmouth Harbour SPA and Ramsar.

We would urge Southern Water to rapidly address some of the shortcomings in the information provided to support this application and to bring forward parallel plans to address issues around sewage and water quality in the Solent, for example by reducing reliance on storm overflows. Without robust

and credible plans to address the wider environmental impacts of their operations, Southern Water will struggle to be seen as a trusted deliverer of schemes like this.

Kind regards,

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Hampshire & Isle of Wight Wildlife Trust