

# Water Company Water Resources Management Plans (and Regional Plans)



## RAPID Working Group 1

### Pricing, Incentives and Risks



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# Water Resources Planning (WRP) in Wales



In Wales, the main organisations involved in water resources planning - water company water resources management (WRMPs), drought plans and regional plans (where relevant) are:

- **Welsh Government** – sets policy/legislation
- **Natural Resources Wales** – environmental regulator
- **Ofwat** – economic regulator
- **Water companies** – stat. duty to produce 5 year WRMP and drought plans
- **Regional Groups** - Regional Plans (England) will be produced every 5 years – cross border implications
- **RAPID** - help accelerate the development of new strategic water infrastructure

A number of other organisations play an important role in WRP, including Consumer Council for Water Wales (CCW), Water UK, Customer Challenge Groups, DWI, UKWIR and consultants

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## Welsh Government's role



- The Welsh Government is responsible for developing water resources policy and legislation in Wales. This includes setting the framework for water resources planning
- They are responsible for policy such as levels of resilience, ecosystem resilience, water trading, demand management, carbon/GHG reduction requirements and multi sector, such as private water supplies and agriculture
- They work closely with us, UK Government, the water companies, Ofwat and RAPID regarding matters affecting Wales

*Note Policy for WRP is on a wholly or mainly Wales basis (inc. parts of England).*

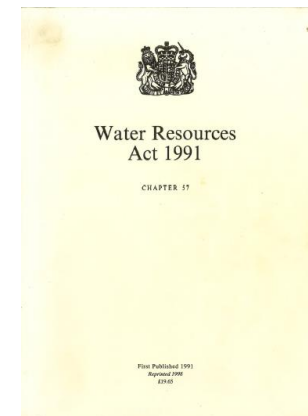
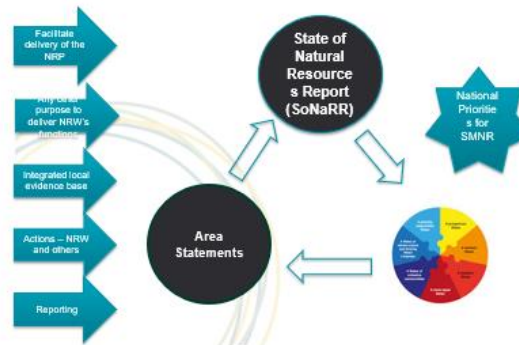
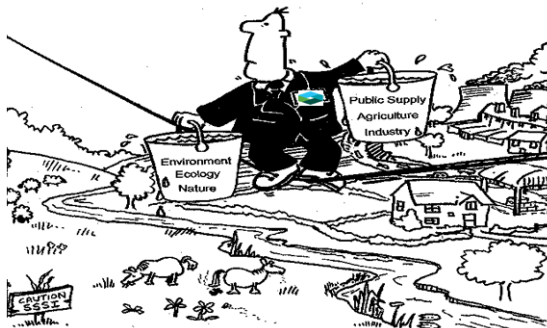
*Welsh legislation is to regulatory boundaries (Wales)*



# Our purpose

*'We are responsible for securing the proper use of water resources in Wales and making sure there is enough water available for all needs including the environment and people' Water Resources Act 1991*

We deliver the sustainable management of natural resources, including embedding the sustainable development principle to contribute to the well-being goals for Wales



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## Our role : water resources planning



- statutory consultee for WRMPs, Drought Plans (inc. regional plans) and advisor to the Welsh Government
- producing guidance (and supporting documents) and consultee for relevant methodologies (UKWIR)
- advise water companies (and Regional Groups as relevant) on the development of their plans and supporting documentation
- provide formal responses following publications of these plans and Strategic Environmental Assessments (SEA)/Habitats Regulations Assessment (HRA) that may accompany them
- post publication, we become a technical advisor to the Welsh Government
- following final publication, we ensure the plans are being followed and that no material changes – e.g. no ‘new’ significant concerns to supply/environment and that ‘any proposed’ schemes etc are being progressed/implemented

# Water Resources Planning Guidance

- We have jointly produced and published with EA and Ofwat [the water resources planning guidelines for the next Water Resource Management Plans \(WRMPs\) for England and Wales.](#)
- These guidelines are supported by the Welsh Government and Defra
- This guideline is designed to help write a plan that complies with all the relevant statutory requirements and government policy. It is relevant to WRMPs and producing regional plans
- If the guidance for water companies wholly or mainly in England and Wales differs significantly, we have referred to relevant to England or Wales only



## Water Resources Planning Guideline

Version 9: For publishing

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# Best Value Planning



- The aim of the WRMP and regional planning process is to develop and present a best value plan - both in the short term and the long term.
- A best value plan is one that considers factors alongside economic cost and seeks to achieve an outcome that increases the overall benefit to customers, the wider environment and overall society.
- A best value plan should be efficient and affordable to deliver, legally compliant and account for the range of legislation that applies to it.
- The guidance encourages companies and regions to consider a wide a range of metrics, risks and values, which should be supported by robust data and analysis.

Source Ofwat

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## Best Value metrics, risks and values

These include:

- government policy and regulator expectations
- **environmental improvements**
- **biodiversity increase**
- **natural capital**
- costs
- customers' preferences
- **societal benefits (such as public health, well-being, and recreation)**
- delivery risk
- flexibility and adaptability to meet future uncertainties
- resilience of network and supplies
- affordability of customers' bills
- the level of uncertainty and sensitivity of assessment of best value
- **non-drought resilience such as water supply system resilience**
- **economic factors such as local regeneration and economic growth**
- achieving net zero and helping the climate emergency



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## Key policy for plans (wholly or mainly in Wales)



- Water companies in Wales that have a resource zone within England and/or important for cross-border shared supplies, should include these zones in the relevant regional plan (Water Resources West)
- Should plan for more challenging and plausible droughts than worse historic
- All drought measures (demand and supply) included in final plan forecasts not baseline)
- Drought permits/orders can be considered as options as long they do not cause significant impact to environment

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## Key policy for plans (wholly or mainly in Wales)



- Inclusion of forecasts for 'peak demands' and policies for multi sectors
- Baseline leakage commitments in place by 2024/25. Baseline leakage forecast static after this year. All other leakage commitments are included in the final plan i.e. 50% leakage reduction by 2050
- The final plan forecast should follow the government policy and assess options for further metering beyond the baseline.
- Duty to promote the efficient use of water to their customers. PCC should take account of government policy
- Help achieve net zero carbon in water industry by 2030s
- Climate Change 'emissions' scenario of 8.5 for zones in Wales (high to medium vulnerability)

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# Key policy for Trading: Welsh Government

## Guiding principles



Any proposal for a new (or modification to an existing) water transfer agreement from a water resource zone in Wales should be subject to a detailed analysis of the following:

- the economic, environmental and multi benefits for Welsh citizens
- any risk of deterioration of water body status and/or causing any adverse effects to designated sites and/or preventing biodiversity and ecosystems resilience
- that planned to at least resilience of 1:500 drought conditions for those resource zones affected by trading bulk agreement
- there is sufficient water in the donor water resource zone at no additional cost for current and potential future users in Wales (allowing for economic growth and development), including private water supplies and all other cross sector water use
- include an assessment of their carbon impact in Wales from the outset

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## Specific Welsh legislation



Note that there is specific legislative or regulatory requirements that align to the **Wales geographic boundaries**. These are relevant to all Water Companies and Regional Groups within or affecting Wales. Such as

- complying with environmental legislation, Water Framework Directive Regulations (WFD Regs), Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA)
- Environment (Wales) Act 2016 – [biodiversity and resilience of ecosystems duty \(section 6\)](#) & section 7
- Well-being of Future Generations (Wales) Act 2015 – [well-being goals](#)
- Setting out the short-, medium-, and long-term priorities for enhanced ecosystem resilience (environmental destination);

**Carbon reduction:** support the reduction in greenhouse gas emissions. The Climate Change (Wales) Regulations 2021 prescribe a net zero target for greenhouse gas emissions by 2050

# Embedding Welsh legislation

## Environment Act

- Embed the principles of SMNR within decision-making methods with the objective of maintaining and enhancing ecosystems
- Biodiversity and resilience of ecosystems duty
- Natural Resources Policy and Area Statements

## Wellbeing of Future generations act

- Sustainable development is the process of improving the economic, social, environmental and cultural well-being of Wales
- You should apply the ways of working as set out within the sustainable development principle in order to maximise your contribution to the well-being goals

Incorporated into WRPg and SGNs

# Environment and society in decision-making for Wales

- Incorporate sustainable development principle / well-being goals and ecosystem resilience in decision making
- For WRMP – so where options required to meet deficit then need to maximise the benefits provided

