

# **Customer Challenge Group**

Briefing Note 5:

## National Environment Programme





1

#### 1. Legislative Requirements

Water companies in England and Wales have a number of statutory obligations to address the impact of their abstractions on the natural environment. There is a suite of domestic legislation and European Directives which cover this. The Department of Environment, Food & Rural Affairs (Defra) has set out in its Statement of Obligations (October 2012) publication what water and sewerage companies are expected to comply with. The main pieces of legislation are described below.

**The Water Framework Directive** is a strategic approach to managing the water environment. It includes setting environmental objectives for groundwater, dependent wetlands and surface water bodies within the EC, compliance with standards and objectives set for protected areas, and the implementation of programmes of measures to meet those objectives. The requirements of the WFD are mostly imposed through the Water Industry Act 1991 (WIA 1991) and the Water Resources Act 1991 (WRA 1991). Under the WFD, River Basin Management Plans (RBMPs) set out an objective for each water body (for example, a stretch of a river or coastline, lake, groundwater body) and summarise the programmes of measures which will be taken to achieve this.

Measures may include action to achieve environmental quality standards for a range of pollutants and water chemistry, to improve or maintain flows in surface water bodies, to change the physical structure or operation of assets (e.g. reservoirs, or abstraction intakes) and to prevent input of pollutants to groundwater.

- The Countryside and Rights of Way Act 2000 (CRoW Act 2000) places a duty on public bodies to conserve and manage SSSIs (Site of Special Scientific Interest). The duty is to take reasonable steps, consistent with the proper exercise of the authority's functions, to further the conservation and enhancement of SSSI flora, fauna or geological or physiographical features.
- The Habitats and Wild Birds Directive (HWBD) requires water companies to protect sites important for specific species which are of European importance. These sites are Special Areas of Conservation (SACs) or Special Protection Areas (SPAs) and are collectively known as 'Natura 2000' sites.

### \_

## 2. The National Environment **Programme**

Water companies are instructed by Defra to include in their business plans actions needed to remedy adverse impacts on environmentally sensitive sites.

The Environment Agency compiles the National Environment Programme (NEP) which lists all those schemes each water company must deliver to meet this requirement. The NEP is revised every five years.

The NEP schemes are classified as 'confirmed', 'likely' or 'unknown'. Water companies are expected to plan for all 'confirmed' and 'likely' schemes. Some schemes will result in deployable output changes and have associated capital expenditure and operational expenditure costs while other schemes will require expenditure only.



Public access walks at Blithfield reservoir



#### The five phases of the National Environment Programme

#### Phase 1 – August 2012

EA notifies water companies of "confirmed" and "likely" sustainability changes to go in to Water Resources Management Plan.

#### Phase 2 – December 2012

Water companies finish NEP investigations. EA releases updates February 2013.

#### Phase 3 – August 2013

EA gives further updates on sustainability changes. "Unknowns" now listed as "likely" or "confirmed" to be included in Final Business Plan and final WRMP.

#### Phase 4 – Around December 2013

EA adds more schemes for inclusion in Final Business Plan.

#### Phase 5 – December 2015

Minister signs off River Basin Management Plan. Water industry measures to be added to NEP released.

## 3. Implications for draft WRMP, final WRMP and final Business Plan

In order to account for the updates in phases 2, 3 and 4 in the final WRMP and final Business Plan companies are required to carry out scenario testing of their draft plans to demonstrate whether the later updates would trigger a change in the supply/demand balance. This means companies are planning for 'unknown' schemes in their draft WRMP. It is proposed that the Agency and companies agree

pragmatic scenarios which take account of possible impacts from 'unknown' schemes which are potentially going to become 'likely' or 'confirmed' in later phases.

For phase 1 we have been notified of the following 'likely' schemes. There are no 'confirmed' schemes and numerous 'unknown' schemes.

Table 1:'Likely' schemes for SSW for AMP6

Site	Deployable output reduction	Cost implications for PR14	Comment
Checkhill Bogs SSSI	4MI/d	<ul> <li>2 boreholes or one with 2 discharge points.</li> <li>Ongoing opex of above</li> <li>Channel modifications</li> </ul>	'Likely' Evidence from SSW investigation studies supports this. There may be no deployable output impact as the existing Blakedown compensation borehole is over-licensed and there is still a licence for Hagley which is currently unused.
Puxtone and Stour Vale SSSI	0	Rock ramp weir	'Likely' Evidence from SSW investigation studies supports this.

5

We are proposing to use the following pragmatic scenario to account for 'unknown' schemes becoming 'likely' or 'confirmed' in later phases. This is to be agreed with the Environment Agency.

**Table 2: Additional pragmatic scenario for SSW for AMP6** 

Site	Deployable output reduction	Cost implications for PR14	Comment
Bourne Brook	0	Further investigations	There remains too much uncertainty over study outcomes to be able to define any need for a solution from SSW in AMP6
Blakedown Brook (Hurcott and Podmore Pools SSSI)	2MI/d	<ul> <li>One augmentation borehole or use of Hagley borehole to dilute flow in the Brook.</li> <li>Ongoing opex of above</li> </ul>	investigation studies supports need to address water quality issues but options appraisal is not yet complete so it is not clear whether an augmentation borehole will be the preferred solution. If a borehole is required there may be reduced deployable output impact as the existing Blakedown compensation borehole is over-licensed and there is still a licence for Hagley which is currently unused. Will also depend on final Checkhill Bogs solution. Alternative option of improving the Roundhills STW discharge quality may prove to be the preferred option so there may be no impact on deployable output.

Site	Deployable output reduction	Cost implications for PR14	Comment
Rising Brook	0	Further investigations	Influencing factors include SSW abstraction, mining subsidence and channel modification. Investigations to date are not able to demonstrate the proportion of contribution to problems from each factor and therefore the company's view is that there is too much uncertainty around whether a solution is required from SSW in AMP6.
Blithfield Reservoir	Unknown	<ul> <li>Studies to investigate feasibility of impact of changing the compensation regime from Blithfield Reservoir</li> <li>Modification of Nethertown weir to allow fish passage.</li> </ul>	Under the Water Framework Directive, Heavily Modified Water Bodies are being examined with regard to fish passage. It is anticipated that any modifications to create a fish pass back into the reservoir would be discounted on grounds of disproportionate cost. Changes to compensation discharge profile will be assessed to see if they result in a change in deployable output.

As further phases of the NEP are released, schemes from this pragmatic scenario may move onto the 'likely' or 'confirmed' list and therefore be included in the final WRMP and final Business Plan. If the scenario has been tested in the draft WRMP then this change is acceptable.

#### **Glossary**

**ALC** – Active Leakage Control.

**AMP6** – Asset management plan for the 6th period since privatisation: 2015-20.

**CRoW** – Countryside and Rights of Way Act (2000).

**Defra** – Department for Environment, Food and Rural Affairs

**Deployable output** – The amount of water available to us to supply to customers.

**DMA** – District Metered Areas.

**dWRMP** – Draft Water Resources Management Plan.

**EA** – Environment Agency.

**ELL** – Economic Level of Leakage.

FBP - Final Business Plan.

**fWRMP** – Final Water Resources Management Plan.

**Headroom** – An amount of water added to allow for uncertainty in various elements of supply/demand forecasts.

**HWBD** – Habitats and Wild Birds Directive.

**Measured charges** – Water bills charged by way of water registered through a meter.

MI/d – Million litres per day.

**NEP** – National Environment Programme.

**Ofwat** – Water Services Regulation Authority.

**PCC** – Per Capita Consumption.

**PR14** – Price review undertaken in 2014 for 2015-20 period.

**RBMP** – River Basin Management Plan.

**SAC** – Special Areas of Conservation.

**SELL** – Sustainable Economic Level of Leakage.

**SPA** – Special Protection Area.

**SSSI** – Site of Special Scientific Interest.

**TUB** – Temporary Use Ban.

**Unmeasured charges** – Water bills charged by way of rateable value.

**Volumetric charge** – Same as measured charge.

**WAFU** – Water Available For Use.

**WFD** – Water Framework Directive.

**WIA** – Water Industry Act (1991).

WRA – Water Resources Act (1991).

**WRMP** – Water Resources Management Plan.