Summary of responses to the Water Company Drought Plan Technical Guideline Consultation

December 2017
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1 Introduction

Water companies in England and Wales are required to prepare and maintain drought plans under the Water Industry Act 1991, as amended by the Water Act 2003. A drought plan sets out how water companies will supply water to their customers during periods of low rainfall when water supply becomes depleted, whilst minimising any negative impacts of their actions during a drought. It should set out the short-term operational steps they will take before, during and after a drought.

We consulted on our draft water company drought plan technical guideline. This guideline sets out what the water companies wholly or mainly in Wales should include in their draft drought plans (2019). It is designed to help them write a plan that complies with all the relevant statutory requirements and Welsh Government policy. The Welsh Government’s guiding principles for developing drought plans have been published separately to this guideline and set out the drought plan statutory process and policy expectations, including timescales.

If you are a water company wholly or mainly in England, with sites that affect Wales, you will need to follow Defra and the Environment Agency’s water company drought plan guidance when developing your plan. When developing the content of your environmental assessments, environmental monitoring plans, Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) for drought management actions located in Wales, you should refer to our guidance. This will aid any discussions with ourselves on the content of your assessments for your supply-side actions in Wales. In addition, you will have to consider your obligations in relation to the Environment (Wales) Act 2016 and Well-being of Future Generations (Wales) Act 2015 for these sites.

2 Summary of responses

We received four responses following the public consultation. A list of respondents are as follows:

- Environment Agency
- Ofwat
- Severn Trent / Dee Valley Water
- Institution of Civil Engineers Wales Cymru

The following pages set out our responses to the comments received.

Consultation Question 1. Drought triggers and scenarios

Water companies have a statutory requirement to include their chosen drought trigger(s) and how they have tested their plan against different drought scenarios. We strongly encourage them to plan for challenging but plausible droughts beyond the capabilities of their supply system. Is there anything else water companies in Wales should consider in relation to triggers and scenarios?
Overall respondents believed the guidance is comprehensive in relation to drought triggers and scenarios. One respondent valued highlighting the resilience challenge of testing scenarios that are plausible but more extreme than the historic record.

A comment was raised in relation to certain industries requiring water supply for safety reasons in a drought. This includes proposed new nuclear power stations at Wylfa and at Hinkley in Somerset. The respondent queried whether water companies in Wales need to be informed of the water supply requirements of these stations, particularly what the emergency plan requirements are and whether supply to these stations needs to take precedence over other industrial facilities.

No other concerns were raised by the respondents.

Our response

With regards to the latter comment, water companies have a statutory duty to develop drought plans that set out how they will secure water supplies to their customers during a drought. The water company must have an understanding of their customer needs (split into household and non-households) during critical periods, such as, a drought. The water company will communicate with its customers (as defined in their communications plan) during a drought, particularly if supply is at risk and what they are doing to secure it.

The company can impose temporary demand restrictions for certain water uses either through implementing a Temporary Use Ban (TUBs) and/or applying for a drought order for a Non-Essential Use Ban (NEUBs). Before they impose any of these restrictions to their customers, the company is required to publically consult on what water uses will be restricted, how long and to whom. This allows the customers (falling within the ban) to make representation to the company, if they have any concerns with the water use restrictions being imposed.

With specific reference to power stations or any non-household customer, the water company will understand their needs (including during critical periods) through any discussions and water supply agreements they have set up with them. If these customers require water supplies for safety reasons in a drought, this water use will be categorised as business critical and/or for health & safety reasons. Note these water uses are not subject to any restrictions under TUBs or NEUBs.

For civil emergencies, these activities will fall within the emergency plans, which are separate documents to water company drought plans. Therefore, fall outside the remit of this guidance.

Action

No further amendment proposed for the drought plan guidance.
Consultation Question 2. Drought management actions (demand and supply-side)

Are there any other drought management actions that water companies should consider that are not covered by this guideline?

Overall respondents believed the guidance is comprehensive in relation to drought management actions. One respondent commented on considering other extreme weather events e.g. severe freezing conditions, extreme flooding.

No other concerns were raised by the respondents.

Our response

The guideline is specifically for water company drought plans that set out the short-term operational steps that they will take to continue to supply water to their customers during periods of low rainfall when water supply becomes depleted. It is not a requirement of the drought plan to specifically consider actions for companies to respond to severe freezing conditions or flooding. Drought policy for companies wholly or mainly in Wales is set out on the Welsh Government’s website: http://gov.wales/topics/environmentcountryside/epq/waterflooding/drought/?lang=en

However, water companies will consider the risks from other extreme events, such as freezing, surface water flooding and/or asset flooding, through other statutory planning mechanisms, such as water resources management planning, business planning (as defined by Ofwat) and emergency planning.

Action

No further amendment proposed for the drought plan guidance.

Consultation Question 3. Related plans

The guideline refers to other relevant plans that water companies should consider.

Please tell us if there are any other plans and processes that you feel are relevant to drought plans that companies should consider.

Overall respondents believed the guidance sufficiently refers to other relevant plans.

One respondent included a comment about whether water company drought plans could include hydroelectric stations as a stakeholder for communication, where river water levels may be lower than the turbines require, e.g. Cardiff Radyr Weir and at Dinorwig Pumped Storage System.

No other concerns were raised by the respondents.
Our response

In most cases a hydropower station in Wales, such as Cardiff Radyr Weir, will have a licence agreement with Natural Resources Wales. An abstraction licence for hydroelectric power generation will permit the holder to abstract water under certain flows and may impose abstraction restrictions during low flows (as defined in the licence). It is the duty of Natural Resources Wales or the Environment Agency (for England) to check compliance and enforce these licence conditions.

Any communications relating to the operation of the licence, including river levels, will be between the regulator and the licence holder. Methods of measurement of river flows and where to obtain the information are often defined in the licence. Therefore, in these instances, it will not be for the water company to notify the hydropower station of river flow conditions.

Where a hydroelectric station is a direct customer for mains water supply from the water company or has a shared resource (for example at a reservoir), water companies will communicate with them as a stakeholder during a drought (as defined by the communications plan).

Action

No further amendment proposed for the drought plan guidance.

Consultation Question 4. How to assess impact of actions on the Environment

Water companies must consider the environment during a drought. They will also have to consider their obligations in relation to the Environment (Wales) Act 2016 and Well-being of Future Generations (Wales) Act 2015 for any of their supply-side drought actions (for example drought permit or order sites).

Does the guideline on environmental assessment allow all the ‘potential environmental impacts’ to be identified during a drought (baseline) and after implementation of an action? Please tell us if there is any additional information water companies should consider.

Overall respondents believe the guidance allows potential environmental impacts to be appropriately assessed.

One respondent asked about control of outfalls into rivers where there is a reduction in river flow.

In addition, they raised a query about how the company consider the social impacts on non-household customers who rely on water if they fail to produce e.g. food production, paper making companies.

No other concerns were raised by the respondents.
Our response

With regards to controls of outfalls into rivers, as a discharge to controlled water, this activity would be subject to Environmental Permitting Regulations (EPR) 2016 (a separate statutory process to water company drought plans). Anyone in Wales who is going to make a discharge to surface water (for example a river, stream, estuary or the sea) or to groundwater (including via an infiltration system) may need to apply for an EPR permit. Some lower risk water discharge activities may need to apply for an exemption registration rather than an EPR permit.

If you apply and are granted an EPR permit, it will have specific conditions that will need to be met to protect the environment. Guidance is also provided which describes the standards and measures they must use to control the most common risks of pollution from their activity and how to comply with the conditions of the permit. General guidance is available on Natural Resources Wales website: https://naturalresources.wales/permits-and-permissions/water-discharges/discharges-to-surface-water-and-groundwater/guidance/?lang=en

Note that the Environment Agency is responsible for determining environmental permits in England.

In response to how a water company consider the social impacts on non-household customers who rely on water e.g. food production, paper making companies, we have the following;

Other non-household water abstraction licence holders

- If a food producer or other industry has its own water abstraction licence (eg is not reliant on mains supply from the water company), then they will be subject to the licence conditions as defined by the regulator, eg Natural Resources Wales or the Environment Agency. In a drought, these licence holders may have some restrictions imposed upon it. Food security would be a consideration by the Regulator before restricting any of these abstractions.

- A water company must assess the impacts of their supply-side drought management actions (eg drought permit/orders) by carrying out an environmental assessment. The environmental assessment must consider the impacts (including social/economic) to other water abstractors/users in the vicinity of the proposal (the area of potential impact). Therefore, the company must consider how it will affect other water abstractors within the drought plan.

- In addition, water companies should carry out a Strategic Environmental Assessment of their plan, including social / economic impacts of implementing any actions proposed within their plan.

Non-households reliant on direct mains supply

- If a water company is going to implement a demand management action that affects their non-household customers, for example TUBS and NEUBs, they must
consider any potential impacts to these businesses. Any business critical water use, such as food production, is unlikely to be restricted by the water company.

**Action**

No further amendment proposed for the drought plan guidance.

**Consultation Question 5. Environmental Mitigation and Monitoring**

*Does the guideline on environmental mitigation allow for sufficient protection of the environment during a drought?*

*Is the guideline on environmental monitoring before, during and after a drought clear enough? How could it be improved?*

Overall respondents believed the guidance allows for sufficient protection and is clear with regards to monitoring requirements.

One respondent noted that there does not seem to be any mention of sewerage outfall permits into rivers. They stated that they would expect the water companies to include a river level/volume trigger level at which industries with large outfall permits may need to restrict their outfalls. Similarly, a link to abstraction licences should be in place.

**Our response**

Anyone who is going to make a discharge to or abstract from a surface water (for example a river, stream, estuary or the sea) or groundwater (including via an infiltration system) may need to apply for an environmental permit or abstraction licence. Some water discharge and abstraction activities are exempt and may not require a permit.

Any applications in Wales must be made to Natural Resources Wales. Applications in England will be determined by the Environment Agency. If granted, Natural Resources Wales or the Environment Agency will determine the conditions or restrictions to the discharges or abstractions.

It is not the responsibility of the water company to issue level/volume trigger levels at which large outfall permits will need restricting. Any communications relating to the operation of the permit/licence, including river levels, will be between the regulator and the permit holder. Any compliance / enforcement action will also be carried out by Natural Resources Wales or the Environment Agency.

**Action**

No further amendment proposed for the drought plan guidance.
Consultation Question 6. Drought Communications Plan

Drought communications are an important component of drought planning and water companies should set out what actions they intend to carry out during a drought and who they will communicate with.

Is there enough guidance for water companies on how they should communicate with customers, businesses and other organisations during a drought? Please tell us if there are any additional information Water companies should consider.

Most correspondents believe the guidance is comprehensive.

One respondent noted that the communication plans need to provide advance warning to large industrial customers of dropping supply levels, i.e. in advance of the drought actually being declared.

In addition they noted that for certain industries, e.g. nuclear, petrochemical, they will have their own emergency plans. Therefore, it is important for the interface between these companies and regulator is clear.

In addition, would it be reasonable to ask water companies to undertake an annual drought management exercise – externally audited (by e.g. NRW).

No other concerns were raised by the respondents.

Our response

The water company drought plans guidance (section 7) requires them to set out in their communications plan (which includes communicating with their customers) the following;

- how a drought is developing
- how it might affect their supply
- what you’re doing to manage it

In addition, the drought plans often include the ‘sequence of events’ by water resource zones that include

- who they will communicate with (their audiences),
- how and they will communicate
- examples of what they will be issuing as the drought develops.

Please refer to the Welsh Government’s guiding principles in relation to drought exercises. Water companies should periodically run exercises to test their drought plan. They should contact Natural Resources Wales and/or the Environment Agency about taking part in joint drought exercises.
As noted under question 1, for civil emergencies, these activities will fall within the emergency plans, which are separate documents to water company drought plans. Therefore, fall outside the remit of this guidance.

**Action**

No further amendment proposed for the drought plan guidance.

**General feedback on the guideline**

**Please provide any further feedback on the guideline, particularly in relation to anything that requires further refinement or should be included.**

The guidance was positively received by the respondents and it was recognised that it was largely aligned with the Environment Agency’s document for water companies wholly or mainly in England. Another respondent believed the guidance was comprehensive and had no concerns with its content. Another respondent valued us providing essential links with the water company drought plan and the water resources management plan (WRMP).

**Other general feedback was as follows:**

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<thead>
<tr>
<th>Comment</th>
<th>Our response</th>
<th>Action</th>
</tr>
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<tbody>
<tr>
<td>Section 7.1, paragraph 4, to consider the addition of “Ofwat” or more generally “regulators” to the list of stakeholders that should be kept up to date with as part of the communications plan.</td>
<td>We will ensure the final version of the guideline includes Ofwat and other regulators in section 7.1</td>
<td></td>
</tr>
<tr>
<td>Section 8.2, paragraph 3, to consider adding “levels of service” in the list of the potential changes that should be reflected in the WRMP following a post drought review.</td>
<td>We will ensure the final version of the guideline includes ‘Levels of Service’ in section 8.2</td>
<td></td>
</tr>
<tr>
<td>There is no mention made about reducing future drought situations by reducing leakage. Should leakage targets be reviewed?</td>
<td>The drought plan sets out the operational measures to be taken during a drought which will include enhanced leakage control (beyond their normal leakage programmes). Measures to increase resilience to droughts, such as reducing leakage, are assessed as part of the water resources</td>
<td>No further amendment proposed for the drought plan guidance.</td>
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</table>
Leakage policy has been outlined by the [Welsh Government in their guiding principles](https://www.gov.uk/government/publications/welsh-water-resources-strategy) for water resources management plans (25 year plans).

In addition, Ofwat sets expectations for performance commitments by water companies for reducing leakage.

Natural Resources Wales policy and approach for level of information included in the drought plan on drought permit/order readiness is slightly different to the Environment Agency’s. The EA guidance is that companies have to be drought permit/order ready regardless of likelihood.

Would it perhaps be worth adding a sentence in these places reinforcing where drought permit or orders affect England they need to follow EA guidance as it’s different?

For water companies **wholly or mainly in Wales**, the policy in relation to what should be included in a drought plan is determined by the Welsh Government. The Welsh Government’s [guiding principles](https://www.gov.uk/government/publications/welsh-water-resources-strategy) states “The information for drought permits and orders included in a drought plan is to be ‘as close’ to application ready as possible, especially for those sites that have been identified as causing significant impact to the environment or are most likely to be required in a drought”.

We agree that this is slightly different to the current policy for water company drought plans (wholly or mainly in England) as defined by the Environment Agency guidance.

We will amend section 4.3.1 of the guidance to ensure that it is clear that water companies wholly or mainly in Wales are subject to Welsh Government policy in relation to being drought permit/order ready.

We will also ensure it is clear that for water companies wholly or mainly in England with sites that affect Wales, that they should follow the Environment Agency’s guidance relating to being drought permit or order application ready.

We will recommend that water companies engage with Natural Resources Wales and/or the Environment Agency early to discuss their expectations on being application ready.

There was a query about advising companies to carry out SEAs/HRAs for

For water companies **wholly or mainly in Wales**, the policy in

We will amend the wording in the drought
<table>
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<th>their plans. The Environment Agency only require companies to assess if SEAs/HRAs are needed and complete if necessary.</th>
<th>relation SEA/HRA has been determined by the Welsh Government. They state that that water companies should carry out a Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) of their drought plan. These should also incorporate any additional requirements under the Environment (Wales) Act 2016 and Wellbeing of Future Generations (Wales) Act 2015 (where appropriate).</th>
<th>plan guidance to reflect the following: The Welsh Government states in its guiding principles that water companies should carry out a SEA and HRA of their drought plan. Therefore, they should carry out a screening to determine if all the stages of a SEA and HRA are required.</th>
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<tr>
<td>There is no mention of vetting or monitoring / auditing company drought plans.</td>
<td>The drought planning process and how statutory consultees review and advise on drought plans is outlined in the Welsh Government’s guiding principles.</td>
<td>No further amendment proposed for the drought plan guidance.</td>
</tr>
<tr>
<td>In relation to commercially confidential presumably if it affects England, the company would need to submit something to Defra - should we add that in here?</td>
<td>Water company drought plans (wholly or mainly in Wales) are under the governance of the Welsh Government. They direct these companies to submit drought plans and any commercially confidential / national security issues to the Welsh Government. It is for the Welsh Government to ensure that Defra is informed of anything that might affect England.</td>
<td>No further amendment proposed for the drought plan guidance.</td>
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<td>No mention is made of interfaces with local emergency services.</td>
<td>There is a requirement in the drought plan to ensure that Public Service Boards (including public authorities and emergency services) are a stakeholder in the communications plan.</td>
<td>No further amendment proposed for the drought plan guidance.</td>
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</table>
3 Next Steps

Responses to this consultation will be used to inform the final version of the Water Company Drought Plan Technical Guideline which will be published on our website by mid November 2017. This guideline is for water companies wholly or mainly in Wales and should be used in conjunction with the Welsh Government’s guiding principles when developing a water company drought plan for 2020.

Further information about water company drought plans can be found on our website.

Alternatively you can contact:
Tracey Dunford, Principal Water Resources Planner, Natural Resources Wales, Tŷ Cambria, 29 Newport Road, Cardiff CF24 0TP

Email at drought.nrw@cyfoethnaturiolcymru.gov.uk

Data protection prevents us from naming individuals who have not given permission for their details to be made public. A copy of the responses is available on request.