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Food & Rural Affairs

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Rt Hon Philip Dunne MP
Chairman of the Environmental Audit Committee

18th May 2020

Dear Philip,

Thank you for your letter of 28 April about the National Audit Office report on water supply and demand management (March 2020). The government welcomes the recent reporting from the Adaptation Sub-Committee, the National Infrastructure Commission and the National Audit Office. The government, with the water regulators, has actively engaged with these bodies to inform their findings. The National Audit Office's report provides a helpful snapshot of the current position with respect to water resource planning.

The government, water regulators and the water industry all recognise the importance of ongoing work to maintain secure water supplies. In 2016 we issued improved guidance for water companies' statutory water resources management plans. This guidance is supported by ongoing engagement with the companies. The companies' updated plans were published in 2019 and 2020 and show how they will maintain secure supplies, taking account of the effects of climate change and population growth, for the period from 2020 to at least 2045.

However, recognising the challenges, the government has pushed for more ambition. In 2018, we wrote with the water regulators¹ to water companies setting out our expectations for *further* medium- and longer-term improvements in water resources planning for the next round of plans (to be finalised in 2024). To support our expectations, we have developed a national framework² for water resources, which was published on 16 March 2020. The framework builds on a shared vision set out in the 25 year environment plan, to leave the environment in a better state than we found it; and improve the nation's resilience to drought.

The framework brings together industry, regulators and government to improve the way we use and look after our water supplies. The framework looks to secure our future water supplies by:

- reducing demand to an average of 110 litres per person per day by 2050;
- improving water efficiency across all sectors;

¹ <https://www.ofwat.gov.uk/wp-content/uploads/2018/08/Building-resilient-water-supplies-letter.pdf>

² <https://www.gov.uk/government/publications/meeting-our-future-water-needs-a-national-framework-for-water-resources>

- working with water companies to halve leakage rates by 2050;
- developing new supplies such as reservoirs or water transfers, supported by a £469 million fund for the development of strategic supplies and the regulatory alliance (RAPID), who will help ensure needed schemes are construction ready for 2025;
- making it easier to move water to where it's needed through regional water transfers; and
- reducing the use of drought measures that can impact the environment.

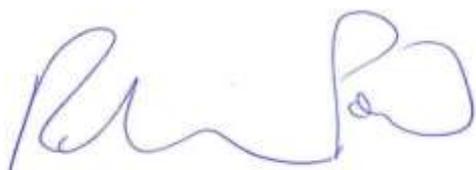
Turning to the specific points in your letter:

You ask how the government will ensure leakage commitments are met in future. Levels will be reported annually to Ofwat through the annual performance reports with any outperformance or underperformance identified at this stage. Leakage performance also forms part of the statutory water resources management plan annual review processes reported to the Secretary of State. The government and water regulators will work together to ensure that reporting and any subsequent actions are closely aligned. If underperformance is so significant as to risk security of supplies further action can be taken beyond the imposition of defined underperformance penalties or revising water resources management plans. This includes taking enforcement action.

As you note, the 25 year environment plan commits the government to set a target for personal water consumption with industry agreement. The government consulted³ on measures to reduce personal water use between July and October 2019 and we will publish the government position later this year. We have been working to build consensus on a target and the measures required to deliver it across government and industry. Many water companies are indicating that they are working to a target of 110 litres per person per day and this is a planning assumption in the national framework. The package of water efficiency measures we are considering, as part of our consultation, such as water efficiency product labelling, new regulatory standards for new homes and a personal consumption target, will help further reduce water consumption. I will set out the government's final proposals in due course and in good time to feed into the next round of water resources management plans.

Finally, I agree that there is a role for government, regulators and NGOs to work closely with water companies and retailers to co-ordinate communications more strategically to help people understand how they can use less water. The "Love Water" campaign, set up through work of the National Drought Group, has already begun to do this. We are working with the industry to embed the campaign, ensuring that we are well aligned with the fantastic work of charities such as Waterwise and Water Aid.

Thank you once again for taking the time to write to me about this important issue and I hope I have given you reassurance about the government's continued action in this area.



REBECCA POW MP

³ <https://consult.defra.gov.uk/water/measures-to-reduce-personal-water-use/>