

Stakeholder Roundtable feedback

South Staffs Water
22nd October 2021

1. Introduction

At least every five years, water companies are required to prepare a fully updated Water Resources Management Plan (WRMP). This sets out in detail how each supply region plans to meet the demand for water over at least the next 25-year planning period.

SSC is now undertaking a comprehensive engagement programme to support the development of the draft WRMP24 in each supply region in order to demonstrate that customers' and stakeholder views and feedback have been sought and helped to shape the draft plans and investment decisions.

As part of this programme, a series of stakeholder roundtables are planned. This report summarises the feedback from the first of these events – an online session which took place on the 11 October 2021. The session was convened at an early stage of the plan development process to ensure that stakeholder views are considered at a formative stage.

Stakeholders with an interest in and/or who are affected by decisions in the plan were invited to attend. In total, there were eight attendees representing local authorities, voluntary sector support organisations, environment organisations and business (see Section 5 for a full list). Attendees held a range of positions within their organisations. Although a comprehensive list of organisations was invited to attend the sessions, the South Staffs Water roundtable did not have a completely representative mix of organisations. It is important to bear this in mind when reviewing the feedback. Also in attendance were five representatives from South Staffs Water and two members of the company's Customer Panel.

Natalie Akroyd, Head of Water Strategy at South Staffs Water, presented a summary of the draft WRMP and then invited questions from the audience prior to a number of breakout sessions to allow for debate and discussion in smaller groups.

Community Research Ltd chaired the event, facilitated the breakout sessions and produced this summary of feedback to ensure an independent record of the session is provided. The session was held prior to the launch of any formal consultation and so was held under the Chatham House Rule with comments not being attributed to specific organisations or attendees.

2. WRMP Challenges and Issues

In summary

- **Challenges** Of the challenges South Staffs Water highlighted in the presentation, stakeholders were most concerned about climate change and population growth.
- **Opportunities for collaboration** Stakeholders offered help with the WRMP development and implementation, for example by supporting customers with financial problems that might arise from universal metering. Some stakeholders also asked for input from South Staffs Water into their own work (e.g. development of a local plan and climate change strategy).

2.1 Introduction to challenges

The South Staffs Water supply region faces challenges around ensuring a sustainable, long-term demand vs supply balance (SBD) given the impacts of rapid population growth, climate change on rainfall patterns and now the additional impact of increased household consumption (PCC) caused by the COVID-19 pandemic.

2.2 Views about challenges

Climate change

Climate change was mentioned during the roundtable by several stakeholders and perceived as an urgent threat although not all had made the connection with drought/water supply. They welcomed South Staffs Water recognising that climate change is already happening now (rather than treating it as a future threat). Its disproportionate affect on low income and marginalised communities (something not specifically mentioned in South Staffs Water's presentation) was also highlighted by stakeholders.

Population growth

Population growth was mentioned by a couple of stakeholders as a serious challenge to the provision of water. For example, the number of new homes in a local development plan would mean a large increase in demand.

Environmental regulation changes

Changes to water abstraction permits were only mentioned briefly in passing by a stakeholder who worked with farmers and was interested to find out more about what was changing.



COVID-19

The impact of COVID-19 was seldom mentioned during the roundtable. Although financial problems were raised repeatedly, they were attributed to rising food and energy bills rather than the direct impacts of COVID-19.

Supply-demand shortfall

While some attendees were very aware of the predicted supply/demand shortfall, others did not know about it before the roundtable.

2.3 Role for their organisation and opportunities for collaboration

Some stakeholders were already working on issues of direct relevance to the WRMP, e.g. working with farmers on water storage, working with food production businesses on water efficiency, advising on water efficiency/behaviour change strategies, and involved in protection of Sites of Specific Scientific Interest (SSSIs).

Stakeholders offered South Staffs Water help with development of the WRMP, for instance, the water efficiency/behaviour change aspects. Customer support organisations offered help with its implementation, mainly to support customers with financial problems that might arise from, for instance, universal metering. Local authorities were keen to ensure South Staffs Water had some input into their own work, for instance a local plan and climate change strategy.

3. Demand and Supply side options

In summary

- **Demand management options** While recognising the value of universal metering for demand management, stakeholders raised serious concerns about bill increases, particularly now, alongside increases in food and energy bills. If South Staffs Water decides to introduce it, there was a call for the company to consider timing and take great care to protect affordability. There was little informed discussion about other demand management options.
- **Supply-side options** There was little informed discussion about supply-side options, but most enthusiasm was expressed for grey water recycling.
- **Balance between demand and supply investment** Environmentally focused stakeholders prioritised demand management over supply-side options. Other stakeholders did not express a clear preference.
- **Criteria for choosing between options** Affordability and environmental impact were seen as the most important criteria.



3.1 Demand management options

Need to do more to reduce demand

Households Stakeholders felt that South Staffs Water could do more on household demand management.

- Some stakeholders argued for more communication and education about water use and bills. E.g. a stakeholder working closely with households in debt felt that these households do not yet know enough about ways to reduce water use/bills, or about options for support when struggling to pay. Other stakeholders believed that communication/education could be slow or not very effective, particularly for households in deprived areas “with a lot more things to worry about than the environment.”
- The offer of subsidised water saving products was welcomed.
- The need to look wider than standard demand management approaches was also mentioned, e.g. combined water/energy retrofits, and encouraging businesses to teach their staff about saving water.

Businesses There was much less discussion about helping business reduce water use. The cost of expensive equipment (e.g. for water recycling) was mentioned as a barrier. Due to time constraints, there was no opportunity to discuss whether there might be a role for SSW in helping with these costs.

PCC targets

Stakeholders who were new to water-related matters did not have a sense of how realistic or challenging the PCC targets were so did not feel able to answer questions about them. Stakeholders with an understanding of PCC expressed different views about the target of reducing PCC to 110l/p/d by 2050.

- **Should be faster** 2050 seemed “*an awfully long way away*” so it is important to make progress sooner than that.
- **Reasonable timeline** 2050 seemed reasonable, to allow some contingency for unexpected events such as the pandemic that can influence water use.
- **It depends** If abstraction can be reduced and environmental goals met with the 2050 timeline, then it is acceptable. If not, PCC should be reduced sooner.

It was thought that achieving the target of 110l/p/d would need a suite of interventions including universal metering, smart metering reinforced by messaging, water efficiency/recycling retrofits combined with behaviour change interventions, and higher water efficiency standard for new builds. A faster timeline to achieve this target would need to rely more heavily on compulsion rather than behaviour change, which can take time.



Metering

Households Stakeholders felt strongly about universal metering and had a range of responses.

- **Welcomed it** Universal metering was seen as an effective way of making people more aware of and more careful about their water use. It was also generally regarded as a fair and therefore acceptable way to charge.
- **Did not welcome it** It would increase bills for some customers and so risked *"tipping people over the edge"*. Now was not the right time to do this, with so many people already in debt because of increasing food and energy bills.
- **Cautious welcome** While there was concern about bill impact and affordability, this was balanced against a sense that universal metering made sense. It should therefore be introduced with care. Even a stakeholder whose *"focus is people not environment"* could see the value of universal metering for demand management, as long as customers were protected from unmanageable bill increases.

Support organisations and other stakeholders with insight into the impacts of universal metering highlighted that affordability could be a problem for many. Large families and customers currently just above the threshold for support from existing tariffs/schemes (i.e. those whose income is higher than the threshold for the company's Assure tariff) might need help, as well as those who already receive help from South Staffs Water. At the moment more people than usual might need help because of other rising bills. South Staffs Water should learn from National Energy Action's (NEA) work on determining who is vulnerable.

Stakeholders suggested a range of approaches to help reduce the financial shock.

- People should not be caught off guard by meters. Education (particularly in advance of starting a universal metering programme) and a slow steady approach (*"drip drip"*) would help.
- Some customers would need financial help to avoid unmanageably high bills.
- A stakeholder with an environmental focus suggested that customers should be encouraged to cut their water use first, before being offered financial help.

No-one raised concerns about using compulsion to reduce demand. One stakeholder felt it was appropriate when addressing climate change, an urgent challenge.

Businesses There was only a little discussion about smart meters for business customers. While they were thought to be helpful for businesses proactively looking to cut costs, there was less interest from farmers who use several water sources (mains, abstraction, private water supply).



Restrictions

Restrictions were not discussed in any depth. There were few objections to them in principle and a recognition that they could help raise awareness of issues. It was felt that non-essential business use should be restricted at the same time as non-essential household use e.g. businesses watering plants that are not part of their core business should be restricted at the same time as households.

Other options

Leakage did not come up spontaneously and there was no direct call from stakeholders attending the event for South Staffs Water to tackle leakage. One group of stakeholders, when prompted by a member of the South Staffs Water team about leakage, seemed to have taken on board the points about the economic level of leakage.

3.2 Supply side options

Storage

Increasing storage capacity was briefly discussed. One stakeholder emphasised its importance: as well as boosting supplies, storing water taken from rivers when flow is high could reduce flooding, erosion etc.

It was mentioned that small individually owned reservoirs could be very helpful for farmers. Work was needed (and was underway) to make them more accessible to farmers, by making it easier for them to navigate the planning process, surveys, finance, tax etc.

Transfers

Water transfers were also briefly discussed and views differed. The idea was appealing because it intuitively made sense to share resources and help each other out. However, one stakeholder was wary and suggested that each region should address their own resilience before looking at transfers.

Other options

Grey water recycling elicited more enthusiasm than any of the other supply-side options. This was partly because it was thought to have low environmental impact and was minimally disruptive for customers. Also the public were thought to be familiar with and positive about the concept of recycling.

However, stakeholders would want questions answered. For instance, what could the water be used for; were the chemicals used in grey water recycling safe; and who would bear the costs of e.g. retrofitting an extra set of pipes in existing homes?

3.3 Balance between demand and supply

Stakeholders from environmental organisations prioritised demand over supply, in line with UKWIR guidance, in order to minimise the negative environmental impacts associated with supply-side measures. Other stakeholders did not have strong views



on the balance between supply vs demand investment or felt that South Staffs Water should use whichever options come out as best from cost-benefit analysis.

3.4 Criteria for choosing between options

Affordability was raised repeatedly. Unsurprisingly it was mentioned by stakeholders working with customers with financial problems. However, it was also mentioned by stakeholders with a strong environmental focus, partly because of the level of deprivation in the South Staffs Water area, and partly because of the current high profile of water poverty. Stakeholders, particularly those with a strong environmental focus, paid attention to the environmental impact of the different options.

4. Environmental ambition

In summary

- **Level of ambition & focus** There was limited feedback about the level of ambition or what environmental improvements should focus on.
- **Affordability** Stakeholders working with customers in debt stressed the need to balance ambition and speed of environmental improvement against what customers can afford, and to consider going more slowly to protect customers from steep bill increases.

There was very limited feedback from stakeholders in this part of the discussion. This might have been because two attendees had left before this breakout discussion and the material discussed here was new to most of the remaining attendees.

4.1 Three levels of ambition

Only one stakeholder, from an environmental organisation, commented on this issue. They said that their organisation would strongly support South Staffs Water working towards level three, i.e. the most ambitious level, to help cope with the challenges of climate change (*"brilliant that you are looking at this kind of environmental ambition"*).

4.2 Focus of any additional investment

Again the same stakeholder from an environmental organisation responded to the question about what to focus on. Instead of suggesting where to focus, they pointed out that there is no need to choose between water quality, biodiversity value, and recreational value. They explained that this is because improving one tends to improve the others e.g. as shown when improving rivers to meet designated 'bathing river' criteria.



4.3 Affordability

Although stakeholders had mentioned affordability concerns when discussing demand/supply options, this was not spontaneously mentioned when discussing levels of environmental ambition and speed of achieving environmental targets.

When prompted about affordability, this influenced their views about how far and how fast South Staffs Water should go. One stakeholder who worked closely with customers with financial problems was keen for South Staffs Water to be as ambitious as possible to protect environment and water supply – but stressed that this needed to be balanced against what customers can afford. Another stakeholder recommended that environmental improvements should be made slowly to protect struggling customers from steep bill increases that they could not afford, particularly at the moment, alongside increased food and energy bills (*"lots of [financial] pressures, lots of worries, so it should be slowly, slowly"*).

If bills do need to increase, stakeholders mentioned (as they had done earlier in the discussion) that struggling customers would need to be protected and prepared.

4.4 Who should pay/fairness

No-one mentioned issues about fairness/who should pay until prompted. When asked about intergenerational fairness, it was felt that current customers should pay, even if they do not benefit. This was partly because current customers had created the environmental problems, and partly because there was precedent for people paying for services for the benefit of wider society even if they do not personally benefit (e.g. people without children contributing through tax to the cost of schools).

5. List of stakeholders in attendance

- Citizens Advice Sandwell & Walsall
- CLA (Country Land and Business Association) (left before breakout session 3 on environmental ambition)
- Lichfield District Council
- Food and Drink Federation (left before breakout session 2 on supply and demand options)
- Natural England
- Sandwell Crossroads Care for Carers
- Sandwell Metropolitan Borough Council
- Waterwise

