

# 'Investing in and Paying for Your Water Services from 2015: An invitation to engage with the Government and to provide your views'



## Scottish Environment LINK response

September 2012

Scottish Environment LINK is the forum for Scotland's voluntary environment organisations, with over 30 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society. We welcome the opportunity to provide comments on this consultation on water industry investment from 2015.

### Introduction

Scotland's water resources are essential for providing drinking water, producing food, sustaining world-renowned businesses and supporting native biodiversity, all of which are dependent upon a clean and abundant supply of water. Scottish Environment LINK is supportive of steps that can be taken to make Scotland's water industry truly sustainable. We wish to see a water industry that fulfils all statutory duties in respect of biodiversity conservation, water quality and delivery of Water Framework Directive objectives, sustainable flood management, reducing greenhouse gas emissions and adapting to climate change. Sustainable land management within river catchments can make a positive contribution to all of these aspects, as demonstrated by initiatives such as SCaMP<sup>1</sup> with United Utilities and Upstream Thinking<sup>2</sup> with South West Water. LINK would like to see Scotland's water industry further driving down leakage and promoting and incentivising water efficiency in order to reduce over-abstraction. This will help alleviate the negative impacts that abstraction can pose to freshwater habitats and reduce energy emissions arising from the abstraction, treatment and pumping of water.

We note that this consultation paper does not cover the Hydro Nation agenda or the Water Resources (Scotland) Bill yet the bill may bring new duties on Scottish Water and/or a new approach to delivery of core services. For example, in relation to raw water quality, the Bill Explanatory Notes<sup>3</sup> state "*The estimated additional cost as a result of the provisions in the Bill of undertaking pro-active catchment inspection, analysis and advisory/enforcement work with dischargers to the network is in the region of £1m per annum – this would be met from customer charges and would begin to be incurred as soon as the Bill is commenced*". We seek clarity on how this will be taken into account in the next investment period.

### Consultation questions

#### **1) Do the key policy objectives provide a sound basis upon which to plan the delivery of services from 2015?**

Regarding the objective relating to the 'Size and nature of the investment programme', we are concerned by the statement that investment priorities must support Government's core purpose of increasing sustainable economic growth. This must not happen at the expense of Scottish Water's existing statutory duties in relation to sustainable development<sup>4</sup> and conservation of biodiversity<sup>5</sup>.

<sup>1</sup> <http://corporate.unitedutilities.com/scamp-index.aspx>

<sup>2</sup> <http://www.southwestwater.co.uk/index.cfm?articleid=8329>

<sup>3</sup> [http://www.scottish.parliament.uk/S4/Bills/Water%20Resources%20\(Scotland\)%20Bill/b15s4-introd-en.pdf](http://www.scottish.parliament.uk/S4/Bills/Water%20Resources%20(Scotland)%20Bill/b15s4-introd-en.pdf)

<sup>4</sup> Water Industry (Scotland) Act 2002

<sup>5</sup> Nature Conservation (Scotland) Act 2004

**2) Do you agree that it would be beneficial to extend the regulatory period to six years?**

Yes, LINK supports the proposal to shift from a 5 year to a 6 year regulatory period. This would align with planning cycles for river basin and flood risk management and, therefore, is entirely sensible.

**3) Do you agree that the current Principles of Charging remain broadly appropriate for the next regulatory period?**

We have no comment on the Principles of Charging.

**4) Do the specific issues identified (exemption scheme, charging for vacant properties, surface drainage charging) require further discussion and, if so, who should be involved in those discussions?**

We note that the Exemption Scheme for small voluntary organisations is to be reviewed. As LINK membership includes many small NGOs that depend upon this scheme, we would welcome further discussion on this.

**5) Do the Draft Investment Objectives included at Annex D of this paper identify all necessary improvements?**

2.2 - We welcome the inclusion of demand management, including leakage control and water efficiency measures, in the draft objectives. This, of course, is in line with Scottish Water's duty to '*promote the conservation and effective use of the water resources of Scotland*<sup>6</sup>' and also important in terms of meeting climate change duties to mitigate greenhouse gas emissions<sup>7</sup>. LINK would like to see more done to promote and incentivise water efficiency measures, and the potential for retrofitting fully explored.

3.1 - We welcome the objective that "*in partnership with others, Scottish Water shall take steps to reduce the impact of its discharges on sewage-related litter in the marine environment*". We believe that Scottish Water should be funded to install real-time monitoring on CSOs.

3.2 - There should be recognition of the fact that WFD requires water-dependent Natura sites to reach favourable condition by 2015. Scottish Water must support achievement of this.

3.2 - There must be recognition of Scottish Water's statutory duty to further the conservation of biodiversity and flora and fauna<sup>8</sup>. This must include steps taken on its own estate and through facilitation of sustainable land management via the Best Practice Incentive Scheme (or future iterations of this scheme).

3.5 - We welcome the objective that states Scottish Water shall work with stakeholders to assess, pilot and implement measures to reduce greenhouse gas emissions and energy use. Where such measures relate to renewable energy sources, we would be keen to work with Scottish Water to ensure that any developments are carried out in a manner that minimises impact on nature conservation sites and on undesignated important wildlife sites.

4.1 - There should be a clear reference to the fact that Scottish Water will have to contribute to delivery of sustainable flood management by undertaking actions set out in Flood Risk Management Strategies and Local Flood Risk Management Plans, which will be in operation from 2015-16.

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<sup>6</sup> Water (Scotland) Act 1980

<sup>7</sup> Climate Change (Scotland) Act 2009

<sup>8</sup> Nature Conservation (Scotland) Act 2004; Water Industry (Scotland) Act 2002

**6) Do the specific issues identified (prioritisation of investment, promoting innovation) require further discussions and, if so, who should be involved in those discussions?**

Investment prioritisation and 'innovation' are linked since innovative solutions can deliver legal obligations in an effective and cost-saving way. LINK is extremely supportive of all the areas of innovation highlighted in the document e.g. sustainable land management in drinking water catchments, removal of phosphates in detergents, and encouraging customers to reduce water demand and sewage litter. With regard to sustainable land management, it is important that there is discussion with agencies such as SEPA and SNH and with Scottish Government agricultural payments division (SGRPID) as these all have important roles in the delivery of sustainable land management. LINK members would be keen to be involved in these discussions too.

We would also highlight that many of the draft objectives, and statutory duties, can be delivered concurrently which brings efficiencies in resource and investment. For example, sustainable land management can deliver multiple benefits including water quality, flood management, biodiversity, climate change mitigation and adaptation.

**7) Please include any other comments you wish to make on paying for and investing in water services from 2015 below.**

This paper asked stakeholders to consider the risks to service delivery, particularly where innovative practices are adopted. Indeed, some have expressed concern about risks to drinking water quality when innovative approaches like sustainable land management are used. Of course, safeguards can remain in place with Water Treatment Works being equipped to remove pollutants even while action is being taken to reduce pollutants entering at source. In this scenario, the real benefits will be derived from reduced operational costs at the WTW which may also be positive in terms of reducing greenhouse gas emissions associated with treatment processes. Steps should be taken to fully explore how this sustainable solution can improve resilience to risks identified in Drinking Water Safety Plans. Water industry could fulfil a useful role in researching how the impacts of peatland management can affect carbon storage and water discolouration, and the extent to which peatland restoration and other sustainable land management measures can bring economic, environmental and social benefits.

LINK welcomed the sustainable land management funding in the 2010-2015 Determination and we urge that this is maintained and developed. Such an approach fits with Government's [Land Use Strategy](#), which has an aspiration to deliver multiple benefits and acknowledges that it is "*Government's role is to exert positive influence upon the management of land to deliver wider public benefit*". LINK is keen to see active demonstration sites that are effectively monitored to gain information on the wider benefits and economics of sustainable land management.

**This response was compiled on behalf of the LINK Freshwater Taskforce and is supported by:**

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