Stakeholder Roundtable feedback

Cambridge Water
25th October 2021 | Final

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 13 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 18 attendees from a wide range of organisations, including local environmental and river groups, national environmental organisations, a water retailer for businesses, a social housing provider, a local authority planning department, a university and an MP (see Section 5 for a full list of external stakeholders). Although a wide range of organisations were invited, the Cambridge Water roundtable did not have a completely representative mix of organisations with a relatively large number of environmental groups in attendance. It is important to bear this in mind when reviewing the feedback. Also present were six representatives from Cambridge Water and one member of the company's Customer Panel.

Natalie Akroyd, Head of Water Strategy at Cambridge Water, and Dan Clark, Water Resources and Environment Manager for Cambridge 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 was provided. The session was held prior to the launch of any formal consultation and so was 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** Stakeholders were strongly in agreement with Cambridge Water on three of the challenges contributing to the predicted supply-demand shortfall (population growth, climate change, and reduced abstraction).
- **Opportunities for collaboration** There was strong support for collaborative working and many offers of help, mainly on public communication/education and working with government and Ofwat to change the regulatory framework.

2.1 Introduction to challenges

The Cambridge 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 the additional impact of increased household consumption (PCC) caused by the COVID-19 pandemic.

2.2 Views about challenges

Environmental regulation changes

All stakeholders in attendance recognised and are concerned about abstraction levels and the need to take less water out the environment in order to protect rivers, including internationally important chalk streams. They did not view this as an environmental regulation matter but rather a fundamental need to protect the water environment. With many stakeholders from organisations concerned with river protection, this challenge dominated much of the discussion. They emphasised that sharing chalk streams and aquifers with Affinity Water and Anglian Water amplifies the problems.

> "The EA has called for a 60-70% cut in current abstraction in this catchment. This would return river flows to acceptable levels. The Cam Valley Chalk aquifer is being deprived of more than 100 megalitres per day by Affinity, Anglian and yourselves. Chalk streams are increasingly endangered by our present practice."

Population growth

Growing demand was seen as one of the main reasons for the problems with the health of the water environment, and population growth was therefore recognised as a serious challenge, with one participant suggesting that the Office of National Statistics had substantially underestimated growth and that the challenge could be even greater than anticipated. Although there was one participant who argued strongly for growth, there were a number of participants who called for curbs on

expansion, with some mentioning the need for 'degrowth'. However, demand management to reduce household consumption in the area was also recognised as key to solving the problem, and low levels of public awareness of water demand/supply issues seen as a major challenge that needs to be addressed.

Climate change

This was recognised as an urgent challenge and one of the main reasons for the problem with the health of the water environment.

COVID-19

This issue was barely discussed during the roundtable.

Supply-demand shortfall

Stakeholders were pleased to see Cambridge Water recognise the shortfall. However, it was occasionally suggested that the shortfall already exists so should not be seen as a future problem

> "According to the Environment Agency, you have a CURRENT shortfall of 22 million litres per day".

There was some challenge to the numbers shared by Cambridge Water and the associated projections which appeared to be largely attributable to various different future scenarios. Cambridge Water has provided a response to the questions raised by stakeholders during the roundtable and this will be provided in a separate document.

2.3 Role for their organisation and opportunities for collaboration

Communication/education

Stakeholders repeatedly offered to help with communication and education of the public, including around the need to reduce consumption.

- This is something that many organisations do already so is an obvious opportunity for partnership working with Cambridge Water *("there is a role for all of us").*
- The more sources these messages come from, the more powerful they will be *("it needs to be a concerted regional campaign").*
- There was also a sense that communications need to be at a local level e.g. through community champions.

Lobbying government and Ofwat

It was generally felt that changing the regulatory and planning framework would help both Cambridge Water and stakeholders to achieve their organisational goals; and it would be more effective if they worked together. Stakeholders were keen to help support Cambridge Water in their discussions with Ofwat and government, a

point that was made repeatedly in the discussions. They were aware that Cambridge Water could not do everything that is needed for the water environment without changes to the regulatory framework. They expressed frustration at what had happened in the past i.e. Cambridge Water's plans scaled down at Ofwat's insistence because of bill impact. Stakeholders also felt that their own work was hampered by the lack of political will (e.g. Building Regulations/Standards on water use for new builds). They would welcome Cambridge Water's help lobbying for change on these issues

Support for Water Resources East (WRE) and water industry collaboration

Stakeholders encouraged Cambridge Water to work closely with Affinity and Anglian Water. They also welcomed Cambridge Water's involvement in the Water Resource East regional planning process. Consistency between the three water companies and strategic regional planning were seen as essential.

Other suggestions

There were requests for Cambridge Water's support on other issues e.g. promoting small scale reservoirs for farmers' on-site use, and promoting the use of grey water recycling.

3. Demand and Supply side options

In summary

- **Demand management options** There was strong support for Cambridge Water to do more on demand management and do it soon e.g. increase ambition on PCC; introduce universal metering; and use restrictions as part of business as usual rather than only in the most extreme situations.
- **Supply-side options** Levels of detailed knowledge about the supply-side options varied among stakeholders. A new reservoir was generally seen as an essential component of the plan. Transfers elicited mixed feelings, ranging from an essential component of the plan in the medium term to unacceptable because of environmental impacts. Water recycling was popular.
- **Balance between demand and supply investment** Generally stakeholders did not have a preference though some preferred demand management, mainly because of the smaller environmental impacts.
- **Criteria for choosing between options** Environmental impact was by far the most important criterion. Cost was much less of a consideration; it was suggested that customers should simply absorb the cost, with measures put in place to protect customers in financial difficulty.

3.1 Demand management options

Demand management was generally seen as needing to be a crucial central part of Cambridge Water's WRMP. Its importance was raised early in the discussions, even before Cambridge Water described the demand management options the company is considering. Stakeholders believed that there was a lot of capacity to reduce demand because of, for instance, the current low level of awareness of problems with the water environment. Just the occasional participant flagged up how difficult behaviour change can be and emphasised that the anticipated savings from demand management measures often do not materialise.

Views differed about how quickly savings from demand management could take effect. It was generally seen as something that could be relied on in the early years of the plan, before supply-side options (e.g. transfers and a reservoir) came online. But some argued that it could take 5-10 years to reduce substantially demand.

There was very little opposition to or concerns about any of the options raised, just encouragement for Cambridge Water to do more on demand management, and do it soon.

Need to do more to reduce demand

Households Stakeholders felt that more education and communication is needed to make sure that customers understand the urgent need to reduce water use. This

was not regarded as solely Cambridge Water's responsibility; local community groups were also thought to be ideally placed to do it. However, it was also recognised that communication and education would not be enough to bring about substantial behaviour change and other measures, e.g. water efficiency/recycling retrofits, would be needed.

Although only briefly discussed, it seemed reasonable for the cost of retrofits to be shared by Cambridge Water and their customers. At the moment, most customers are unlikely to arrange retrofits themselves and pay for them themselves – but having the Cambridge Water share the cost might encourage them.

Businesses Most stakeholders had limited knowledge about business water use and were unable to comment in-depth. However, it was thought that Cambridge Water could make substantial water savings from working more with businesses. This was because an individual business's water use can be many times that of an individual household, so the potential savings are also much larger. Working with businesses on demand management was also thought to avoid some of the difficulties of working with households e.g. the need to ensure that demand management measures do not adversely affect vulnerable customers.

While it was recognised that it is the role of the water retailers[1] to reduce non-domestic demand, stakeholders believed that Cambridge Water should help to incentivise businesses to reduce their water use in two main ways.

- Businesses tend to be happy to pay for inexpensive small-scale water-saving measures and leak repairs. But they tend to be put off larger investments (e.g. rain water harvesting) because of large up-front costs and/or long payback periods. It would help if Cambridge Water could offer financial help, either a subsidy (like the government subsidies for solar panels) or a long-term loan.
- It would also help to ensure that wholesale tariffs are structured so that businesses with higher water use do not benefit from lower charges.

In terms of businesses, there was some discussion of the need for water neutrality and normalising net zero water in the same way as many businesses had embraced net zero carbon.

[1] Since the retail water market opened on 1 April 2017, business customers are now billed by water retailers, rather than the regional water companies

PCC targets

Stakeholders strongly argued that more ambition was needed. Cambridge Water should be aiming to achieve 110l/p/d earlier, i.e. by 2025-2030, and/or should be aiming for a lower target after that, e.g. 70-80l/p/d.

They gave three main reasons for wanting to see Cambridge Water set an earlier target date for 110l/p/d.

- Changes are needed as soon as possible, to help reduce demand.
- An earlier date would highlight the urgency. It would send a strong, clear message to customers about the need to reduce water use.
- 110l/p/d would be fairly easy and inexpensive to achieve, simply by switching to readily available water efficient fittings (e.g. aerated taps) and appliances. So there seemed little reason to delay. 80l/p/d was thought to be more of a stretch e.g. would probably require water reuse so would take longer to achieve.

It was suggested that water companies in the region should be working to the same targets for consistency. E.g. it was thought that Anglian Water had set a more challenging target so Cambridge Water should follow suit.

Metering

Households Stakeholders were also strongly in favour of universal metering for household customers as soon as possible, for several reasons.

- Because of the urgency of the situation, compulsion is now needed to reduce demand.

> "We have gone past the point of nudge, nudge, nudge. We are in a severely water stressed area and drastic action is required."

- Universal metering sends a clear message to customers about how serious the situation is and reinforces the value of water.
- It enables the use of tariffs that encourage more careful use of water, such as rising block tariffs. Tariffs were raised repeatedly during the group, and stakeholders strongly encouraged Cambridge Water to use them as an incentive mechanism.
- Finally, there seemed to be no good reason not to introduce universal metering. While affordability was a concern, this could be addressed through targeted support measures.

However, it was thought that metering might have only limited impact while water bills are low so would not be a panacea; other demand management measures would be needed too.

Smart meters There was interest in smart meters that provide real time feedback for both households and non-household customers. For example, a large business customer explained that the more granular the feedback, the easier it would be for businesses to work out how to take action to reduce their consumption. Another stakeholder mentioned that smart meters had been used to good effect in schools during the recent Cape Town drought.

Restrictions

Restrictions on domestic water use Several stakeholders were puzzled as to why temporary use bans (TUBs) had not been used for many years, in spite of environmental impacts from summer low flow in chalk streams and the need for artificial augmentation of flow.

> "You can't be chalk stream champions and not have hosepipe bans sometimes."

Stakeholders, largely from environmental groups, believed that rather than being seen as something *"we must never do"* and a failure by a water company, TUBs should be regarded as a tool to be used by an environmentally responsible company. They would work on two levels: by immediately reducing demand, and also by communicating that water was a precious resource that cannot be taken for granted.

It was recognised that using TUBs was difficult politically because they were seen as unpopular with customers. It was suggested that decisions about when to use restrictions should be handed over to communities, as part of involving them more in promoting demand reduction.

Restrictions on commercial water use One stakeholder emphasised the need to ensure that businesses are not negatively impacted by restrictions. Restrictions aimed at businesses should continue to be used only after other measures have been taken (e.g. reducing leakage), even if unpopular with domestic customers. However, it was agreed that not all business uses currently classified as 'essential' are really essential. Therefore this list of 'essential'[2] business uses should be reviewed, and any that are non-essential (e.g. perhaps automatic car washes) should be restricted at the same as domestic TUBs.

Environment Agency (EA) target for standpipe and rota cuts The new EA target (only discussed in one group) was thought to contradict the direction of travel. Two participants believed that managing a declining water resource made standpipes and rota cuts more inevitable (not less).

Other options

[2] Essential use is determined by legislation

Tariffs were mentioned unprompted by several stakeholders as a useful tool to manage demand. For household customers, rising block tariffs were suggested. For business customers, there was concern that the larger users were offered slightly lower charges, rather than higher charges that might encourage careful water use.

3.2 Supply side options

Storage

On the whole, stakeholders saw a new Fenlands reservoir as an essential component of the plan. However, they recognised that it would take some time to come online, and this meant other measures would be needed in the meantime. They also understood that there was likely to be local opposition and hoped that Cambridge Water was preparing to deal with it by considering how to make a reservoir more popular (e.g. make it open for recreation). It was also suggested that with rising sea levels from climate change, the Fens would soon be contaminated with saltwater so might not be an ideal place to locate a new reservoir.

One stakeholder raised the issue of smaller-scale reservoirs for farmers' local on-site use. It was felt that collaborative working with Cambridge Water and other parties would be needed to promote them.

Water Transfers

Views about transfers differed. Some stakeholders saw them as an essential component of Cambridge Water's WRMP: transfers would boost water supplies faster than a reservoir so would help to fill the deficit in the medium term. However, they mentioned several limitations and concerns.

- Transfers would only be one piece of the overall plan. Given the time for transfers to come online, a range of demand management measures would have to be relied on until then. Also given the size of the deficit, a reservoir would also be needed in the long term.
- The potential negative environmental impacts of transfers were raised (e.g. spreading non-native species). There were a range of responses to these impacts: ruling out transfers altogether; seeing them as a temporary measure to be used only until a reservoir was built; and highlighting the need to implement them in a way that minimised negative impacts so they can continue to be used in the long term.
- Some stakeholders queried the use of transfers from Anglian Water: how could water be taken from another area also classified as water scarce and also sourcing water from aquifers? When answering this question, it did not help alleviate concerns for Cambridge Water to state that the water used in transfers would not be from aquifers. However, it seemed to help somewhat to explain in more detail where the water used in transfers would come from i.e. Anglian

Water and Affinity Water have surplus surface water that they move around to where it is needed via a network of pipes, and Cambridge Water could tap into this network.

Other options

Rainwater harvesting and grey water recycling Water recycling was popular. It was raised before Cambridge Water mentioned it in their presentation and it was also mentioned unprompted after the presentation. Eddington was cited (and praised) as a local example of a new, sustainable development that used it. Grey water recycling was popular because, for instance, it did not make sense to use potable water to flush a toilet. Stakeholders recognised the practical difficulties and high cost of retrofitting water recycling systems, and they understood that it was outside Cambridge Water's control to install such systems. Nevertheless, they still felt that Cambridge Water should explore opportunities to promote it.

Desalination One stakeholder suggested the use of desalination. While it has clear problems (especially cost and negative environmental impacts), in Cambridge Water's area, with the coast nearby, it was though that it could potentially be powered by tidal power to minimise the carbon impact.

Effluent reuse Another stakeholder asked about effluent reuse and argued that if other companies were doing it, Cambridge Water should consider it too.

3.3 Balance between demand and supply

On the whole stakeholders found it difficult to say whether Cambridge Water should focus more on demand or supply-side measures. This was partly because both demand and supply-side measures would be needed because of the scale of the deficit. Also, different strategies take different times to take effect so demand management (relatively quick to take effect) would be needed until medium term solutions (e.g. water transfer), and long term solutions (e.g. a reservoir) come online.

A few stakeholders would prefer the emphasis to be on demand side measures because they tend to have less negative environmental and social impacts; they come into effect more quickly; and it makes sense to make better use of water before developing new sources. The most extreme position was a couple of stakeholders who wanted Cambridge Water to urgently reduce abstraction but were opposed to transfers and concerned about whether a reservoir would be approved. When pushed to say what should be done, it seemed to boil down to the need to reduce demand, and they felt that customers would just have to pay more for water and accept more restrictions.

3.4 Criteria for choosing between options

The most important criterion for judging supply options was felt to be environmental impact. There was also some talk about time to take effect. Cost was much less of a consideration; these measures would be needed so had to be paid for somehow. The view seemed to be that customers with affordability issues should be protected, but others would simply have to absorb the cost.

4. Environmental ambition

In summary

- **Level of ambition & timeline** Stakeholders argued strongly that Cambridge Water should aim for the highest level of ambition and aim to achieve it as quickly as possible.
- **Focus** There was less agreement on where to focus, with arguments for focusing on areas of unique significance and the wide water environment, people and nature.
- **Need to overcome barriers** Stakeholders recognised possible barriers (mainly affordability, customer acceptability and regulatory framework) but argued that they cannot be allowed to hamper progress. Cambridge Water must simply find ways of addressing them.

4.1 Three levels of ambition

Almost across the board, stakeholders strongly argued that Cambridge Water should aim for the highest of the three levels *("we need to throw everything we have at this").* For some, even this highest level was seen as the minimum or not ambitious enough. E.g. one stakeholder suggested that abstraction from chalk aquifers should stop altogether or return to the level it was at 50 years ago.

Stakeholders explained that aiming for the highest level was essential because of the scale and extent of problems that had already been caused by over-abstraction and low river/aquifer levels *("we need to spend a lot of money now to get us out of a hole").* One questioned whether the proposed reduction in abstraction was based on the licensed quantity of abstraction or the actual quantity of abstraction.

Just one stakeholder argued that Cambridge Water's remit was more limited. They strongly believed that society collectively should aim for the highest of the three levels but suggested that Cambridge Water is only responsible for reducing abstraction, restoring river and aquifer levels, and getting rid of the need for augmentation schemes for chalk streams. They suggested that other organisations are responsible for restoring rivers and wetlands (something that could only be successful if Cambridge Water restored flows) but Cambridge Water's contribution to this work (e.g. match funding through the company's Pebble Fund) was appreciated.

4.2 Speed of environmental improvement

The consensus was that Cambridge Water should act quickly, as well as aim high. 2050 would be too late. Three reasons were given.

- **Urgency** They argued that there is an urgent need to take action before it is too late. They mentioned, for instance, that some local streams had been dry for a

couple of years and local councils already recognise both climate and biodiversity emergencies. One stakeholder pointed out that on climate change *"we've got 10 years left"* to avert the worst effects, and because the next WRMP covers 2025-2030, it must include ambitious steps to address climate change.

- **Opportunities** One stakeholder argued that Cambridge Water should make the most of current opportunities by producing an ambitious WRMP. They noted several current opportunities that mean that this WRMP *"could be a huge step change"*: the government's stated focus on the environment; the new national strategy for chalk streams; the current interest in integrated water management (i.e. the integration of water resource management and flood risk management); and the well-organised national and regional approach to water resource planning.
- **Comparison** Another stakeholder felt that Cambridge Water had *"dragged their feet"* compared to Affinity and Anglian Water so now *"need to up their game".*

4.3 The need to overcome barriers

Stakeholders expressed no doubt that Cambridge Water should be ambitious and aim for "as much as possible, as quickly as possible." They were conscious of possible barriers, described below. However, they believed that these matters should not be allowed to limit or slow progress i.e. Cambridge Water should set ambitious targets and then find ways to achieve them.

- **Affordability** Stakeholders recognised that ambitious environmental aims would mean bill increases. Therefore, measures would need to be put in place to protect low-income customers from unaffordable bill increases. However, it was argued that investing in the environment would provide other economic/financial benefits (not on bills) to customers in the long term. For instance, through reducing flood risk and insurance premiums. They believed that when weighing up the costs and benefits, these wider longer-term issues must be considered (as well as less tangible benefits such as the impact on health and wellbeing). One stakeholder questioned how Cambridge Water was taking into account and quantifying the wider impacts/benefits of environmental improvements to society as a whole.
- **Customer acceptability** While some stakeholders argued that Cambridge Water should *"trust your customers to support you"*, others recognised the need to carefully explain any bill increases to customers *("we have got to sell it to everybody").* Some felt that it might help to link reducing demand to improvements in local rivers, highlighting a clearly joined up and coherent strategy.
- **Regulatory framework** Stakeholders who had been through the WRMP process before had seen Cambridge Water set ambitious targets that they welcomed, only to be told by Ofwat to scale back their ambition to ensure affordable bills. They worried that this would happen again. Therefore, they argued that the

government must change the regulatory framework to ensure that Cambridge Water could do whatever was needed to protect the water environment.

4.4 Focus of any additional investment

When asked about the focus of environmental improvement, some found it impossible to choose as everything asked about was important to them (restore damaged to river health, biodiversity gains, rivers that look healthy attractive places to visit, focus on rivers that have unique ecological significance). However, there were two main areas of debate (both only briefly discussed due to time constraints):

- **Focusing on water environments of unique ecological significance** According to one stakeholder, Cambridge Water should prioritise water environments with unique ecological significance i.e. SSSIs and chalk streams of international importance. But according to another, Cambridge Water should look after the water environment more widely, following very extensive loss of freshwater biodiversity, in order to protect what is left.
- **Focusing on people vs nature** On the one hand, it was argued that public benefits are secondary to protecting the environment. Improving flows etc would improve water environments for people as well as nature but this was a happy accident, rather than a main aim. On the other hand, it was argued that Cambridge Water should not prioritise one over another. For instance, they should consider nature-based solutions, such as restoring wetlands, that benefit both people and nature. Ensuring that people benefit from environmental improvements could boost willingness to pay for them.

4.5 Who should pay/fairness

When asked about intergenerational fairness, it was widely felt that current customers should contribute, even if they do not benefit.

> It isn't fair to leave future customers a massive bill to pay. We have all benefited from what previous generations have paid for. So, we should pay it forward.
>
> Current customers don't need to see the benefits, we've had more than our fair share and not paid enough for it.

5. List of external organisations in attendance

Cam Valley Forum (2 attendees)

Everflow Water

Friends of Cherry Hinton Brook

Friends of the Cam

Greater Cambridge Planning

Middle Level Commissioners

MP for Cambridge City (did not attend the entire session)

Natural Cambridgeshire

Natural England (2 attendees)

River Mel Restoration Group

Sanctuary (did not attend the entire session)

University of Cambridge

University of Cambridge (North West Cambridge Development)

Wilbraham River Protection Society

Wildlife Trust BCN