

REPORT OF PLANNING OFFICER (PARK DIRECTION)

SUBJECT: RESPONSE TO DWR CYMRU/WELSH WATER CONSULTATION PLANS FOR 2015 - 2021

Purpose of the report

To consider and approve the Authority's response to Dwr Cymru's 2015 – 2021 Investment Plan consultation.

Background

Dwr Cymru/Welsh Water is a not-for-profit company providing water and removing and treating waste water for 3 million customers in much of Wales, Herefordshire and Deeside. Their investment plans are set for 6 year periods with the current programme ending in March 2015. They are now consulting on their Plan for 2015 – 2021 prior to submitting to their regulator, Ofwat.

The Plan 2015 – 2021

Dwr Cymru Welsh Water proposes to invest £2 billion during the Plan period. Of this amount, two-thirds (£1,325 million) will be used to maintain current services; £425 million will be spent on improvements; and £250 million to meet legal obligations. This is done in the context an average one-off £13 increase in householder water bills in 2015 to cover the cost of maintaining private sewers transferred to the company's ownership following a recent change in legislation. It is not anticipated that prices will rise above inflation before 2020.

The Plan sets out in general terms the actions it proposes to take for each aspect of its service under the headings of 'outcomes'. Only major projects are named as specific actions, the only one of which applying to the south-west Wales region is the building of a new pipeline from south-east Wales to protect areas that are vulnerable to water shortages during exceptionally dry periods.

There is no detail provided on the costs of specific nor more general proposals. One of the issues that has recently caused concern at many locations within the National Park is the ability of the sewerage systems to accommodate additional development. Potential constraints to development highlighted in the Local Development Plan have related to an 'unknown capacity' of the systems to accommodate further development and a suggestion that developers bear the costs of studies to ascertain the position. Part of a recent study commissioned by the Authority to examine such constraints and the potential to bring forward sites for development included meetings with the consultants, Hyder, and Dwr Cymru Welsh Water. It is pleasing to note that the conclusions reported in the study show that the sewerage system is known to be able to cater for the levels of development proposed, with improvements due to be made to the sewage treatment works at Solva by 2015. One exception is at Broad Haven where the capacity of the sewage treatment works remains unknown and will require further study.

Beyond the planned developments set out in the Local Development Plan, there are problems relating to pollution and capacity of the sewage system at Amroth, Broad Haven and Dinas Cross. (This is highlighted in the response appended to this report.)

It is not possible to identify from the consultation document whether these matters are included in the proposed investment programme.

Other more general proposals of particular relevance to the National Park are:

- Working with farmers and other landowners to reduce the amount of pollutants entering rivers and seas;
- Help safeguard water quality in bathing and shellfish waters by controlling overflow spills;
- Reducing the amount of surface water entering the sewer network;
- Reducing flood and drought risk.

One of the issues for some parts of the National Park and the rest of Pembrokeshire which was highlighted through Welsh Water/Dwr Cymru's Draft Water Resources Plan in 2011 is that the water supply in the Pembrokeshire Water Resource Zone is forecast to fall into a supply-demand deficit by 2015. To address this, the company intends to reduce leakage and educate the public to reduce water demand. It also proposes to reinstate the Milton source for industrial use and transfer water from Bolton Hill water treatment works to Preseli water treatment works by 2017.

The current Plans identify that some areas of Wales are not adequately connected to other parts of the water network which can put supply at greater risk during dry periods. The response proposed includes the building of a new pipeline between south east and south west Wales to protect areas vulnerable to water shortages during exceptionally dry periods. There is also further reference to the need to reduce leakage and bursts on the water mains.

It is acknowledged that difficult decisions will have to be made, including the prioritisation of 12 water treatment works and 53 sewage treatment works most in need of investment for a programme of general maintenance. A sum of £422 million is proposed for this work. The Plan does not specify the location of these prioritised assets.

The company has posed general questions in each section of their Plan, relating to the level of investment proposed for each area of concern and asks for agreement with the outcomes of their proposed works. With potential improvements being made across the board and acknowledging that the public will not support significant increases to their water bills the Plan appears to generally strike a balance which is difficult to challenge at the strategic level at which it is written.

A draft response is appended addressing the questions set in the consultation with reference, as necessary to issues specific to the National Park.

RECOMMENDATION

That Members approve the attached consultation response to Welsh Water/Dwr Cymru's Plans 2015 - 2021

Background papers:

Dwr Cymru Welsh Water: Your Company. Your Say. Our Plans 2015 – 2021
(<http://asp-gb.secure-zone.net/v2/index.jsp?id=1963/3110/7266&lng=en>)

Pembrokeshire Coast National Park Authority: Land Allocation Implementation Study;
March 2013
(http://cms6.pcnpa.org.uk/Files/files/Committee/Scrutiny/10_04_13/PCNPA%20Land%20Allocation%20Study%20Final%20Report_v2.pdf)

Pembrokeshire Coast National Park Local Development Plan; September 2010
(<http://www.pembrokeshirecoast.org.uk/default.asp?PID=178>)

(For further information, please contact Sarah Middleton on extension 4863, or by e-mailing sarahm@pembrokeshirecoast.org.uk)

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Appendix 1 to Report 41/13:

RESPONSE TO DWR CYMRU/WELSH WATER CONSULTATION PLANS FOR 2015 – 2021

Question	Response
1. Have we got the right balance between investment, service and bills?	No comments.
2. Are there any other challenges you think we need to address?	No comments.
3. Safe drinking water:	
a. Do you agree with our proposed outcome?	No comments.
b. Do our plans tackle the issues that matter most to you?	The draft Water Resources Plan identified a water supply deficit in Pembrokeshire by 2015. Means of addressing this have been identified by the company and solutions relate to the outcome in this Plan to lower the risk that customers will suffer a major loss of supply. This Authority would also seek assurance that new homes proposed through this Authority's current Local Development Plan ¹ (Plan period until 2021) will not be constrained by lack of water supplies and whether the issue is likely to impact on future proposals beyond 2021.
c. Are there other measures of success that you think would better help us achieve our outcome?	No comments.
d. Should we invest more or less to achieve this outcome?	No comments.
4. Protecting our environment:	
a. Do you agree with our proposed outcome?	No comments.
b. Do our plans tackle the issues that matter	The Plan commits to ' <i>help safeguarding bathing and shellfish waters....</i> '. Swansea Bay and the Loughor

¹ <http://www.pembrokeshirecoast.org.uk/default.asp?PID=178> (See Table 3 (page 67) and Table 7 (page 76 for land allocations).

most to you?	<p>Estuary have been highlighted as areas to receive investment. Dwr Cymru will be aware of issues of bathing water pollution from sewage on the coast from Amroth to Tenby which threatens a number of blue flag beaches. Investment is required to provide a public sewer and treatment plant. As these beaches are within Swansea Bay, the Authority would welcome clarification on whether the Plan incorporates the necessary capital expenditure to achieve this improvement and if not how Dwr Cymru aims to tackle the problem.</p> <p>Investment in the existing sewerage network is welcomed, although it is not possible to identify from this strategic document whether the prioritised schemes include any in this National Park. Capacity issues are regularly identified at Dinas Cross and Broad Haven and inclusion of schemes to make improvements at these locations would be welcomed.</p>
c. Are there other measures of success that you think would better help us achieve our outcome?	No comments.
d. Should we invest more or less to achieve this outcome?	No comments.
5. Responding to climate change:	
a. Do you agree with our proposed outcome?	No comments.
b. Do our plans tackle the issues that matter most to you?	No comments.
c. Are there other measures of success that you think would better help us achieve our outcome?	No comments.
d. Should we invest more or less to achieve this outcome?	No comments.
6. Looking after our assets:	
a. Do you agree with our proposed	No comments.

outcome?	
b. Do our plans tackle the issues that matter most to you?	The Local Development Plan process is intended to produce proposals which can be delivered and provide for the forecasted needs of the area during the Plan period. When preparing the current Local Development Plan, Dwr Cymru was able to provide only very limited information on the capacity of sewerage systems which has, in part delayed the bringing forward of sites for development. Further information has been provided through a subsequent study which shows that in most instances capacity is sufficient to cater for proposed developments. The timely provision of detailed information relating to capacity issues is critical for ensuring deliverability of Local Development Plans and this Authority would urge Dwr Cymru to ensure that this is available to support any review or updating of LDPs.
c. Are there other measures of success that you think would better help us achieve our outcome?	Most new properties built are now required to incorporate sustainable drainage systems. Capacity issues can be addressed by removing existing surface water drainage from the foul sewers. The Authority would welcome support from Dwr Cymru to work with communities to demonstrate how this could be achieved and the benefits in terms of environmental sustainability and reducing costs of upgrading infrastructure.
d. Should we invest more or less to achieve this outcome?	No comments.
7. Best in class customer service:	
a. Do you agree with our proposed outcome?	No comments.
b. Do our plans tackle the issues that matter most to you?	No comments.
c. Are there other measures of success that you think would better help us achieve our outcome?	No comments.
d. Should we invest more or less to achieve this outcome?	No comments.
8. Affordable bills:	
a. Do you agree with	No comments.

our proposed outcome?	
b. Do our plans tackle the issues that matter most to you?	No comments.
c. Are there other measures of success that you think would better help us achieve our outcome?	No comments.
d. Should we invest more or less to achieve this outcome?	No comments.
9. A first class team and an efficient business:	
a. Do you agree with our proposed outcome?	No comments.
b. Do our plans tackle the issues that matter most to you?	No comments.
10. Do you agree with our long- term objectives?	No comments.