

## **Written submission from the Mayor of London**

### **Department of Environment, Food and Rural Affairs**

#### ***Improving our management of water in the environment consultation***

This response is on behalf of the Mayor of London. The GLA is the strategic authority for London. The Mayor is required to prepare and publish a London Environment Strategy by the Greater London Authority Act 1999 ('GLA Act' as amended), under changes made by the Localism Act 2011, which includes policies and proposals in relation to climate change Adaptation. These require the Mayor to consider the impact of climate change and potential mitigation proposals for adaptation for London.

The Mayor published his London Environment Strategy in May 2018, setting out his vision to make London the greenest global city. This includes objectives to

- ensure an efficient, secure, resilient and affordable water supply for London and Londoners;
- encourage and support infrastructure providers and businesses to understand and manage climate change risks and impacts to deliver resilient growth and services; and,
- reduce the risk of flooding through appropriate flood defences and increased awareness.

### **Impacts of measures**

#### **1. Do you have any specific evidence that you think could assist Defra in our assessment of the costs, benefits or other impacts of these possible measures? If yes, please provide details.**

- 1.1. Yes. The Mayor supports making Lead Local Flood Authorities (LLFAs) statutory consultees on Drainage and Wastewater Management Plans (DWMPs) but is concerned that this will place an additional burden on London's 33 LLFAs, many of whom face resourcing and funding challenges in discharging their existing statutory responsibilities.
- 1.2. Existing LLFA capacity constraints are identified in the Landscape Institute / Construction Industry Council report [Achieving sustainable drainage](#) and DEFRA's [Surface water management action plan](#):
  - 1.2.1. *Achieving sustainable drainage* provides the results of a survey of LLFAs in England. Responses were received from 69 of England's 150 LLFAs and, amongst other things, identified continued issues of staffing and funding levels that make it difficult for LLFAs to discharge their existing responsibilities. The GLA is actively involved with all 33 London LLFAs, through our involvement in the London Drainage Engineers' Group. We consider the findings in this report to be representative of the challenges faced by London's LLFAs.
  - 1.2.2. The *Surface water management action plan* also identifies resourcing issues, which affect the capacity of LLFAs to discharge their existing responsibilities.
- 1.3. Where the DWMP options set out in this consultation are implemented, they should be accompanied by regulatory and funding support to London's LLFAs to allow them to fully participate in the process.

### **Water Resources Management Plans**

#### **2. Do you agree that the Secretary of State should be able to direct companies to plan on a regional and inter-regional basis? Please provide reasons.**

- 2.1. Yes. Ofwat should require regional water resource groups to be more involved in the WRMP preparation process to improve the collaboration between water companies and coordinate stakeholder input on regional water resources planning. The Water Resources South East (WRSE) group has played a useful part in evidencing the need for new resources in the south east. However, regional groupings could have a more prominent role in promoting regional cooperation and be encouraged to take a leadership role in regional resource planning. Current changes to WRSE to strengthen their role are supported and the GLA, as strategic planning authority for London, expects to work more closely with WRSE in future. Alignment between regional water resource groups that cover separate areas of one city or region, such as WRSE and Water Resources East in London, should also be stronger.
- 2.2. To ensure a resilient and affordable supply for Londoners, London and the south east need to take a twin track approach to identify a new regional resource alongside improvements in demand management, including leakage reduction, metering and water efficiency across both the domestic and commercial sectors. It is essential that plans are put in place to ensure

that the forecasted deficit between available supply and demand is met. While more effort, ambition and innovation in demand management has an important part to play, particularly leakage reduction, a new shared resource will help guarantee that future supplies meet the demands of a growing city in the face of climate change.

- 2.3. There needs to be better alignment between neighbouring water company water resource plans that cover London. The Mayor pointed out the disparity in timings for a new resource between Thames Water's and Affinity Water's draft WRMP19 plans in his consultation response to each of the plans and highlighted the need for increased planning certainty to ensure that delivery of a new resource is not delayed, and the resilience of London's water supply is maintained. Even with projected water efficiency gains, London is forecast to have a water resource 'gap' of more than 100m litres per day by 2020, rising to more than 400m litres per day by 2040. The cost of a severe drought to London's economy is estimated by Thames Water to be £330m per day. London and the wider south east are classified as seriously water stressed. A new strategic water resource, shared by multiple water companies, has been identified by Ofwat, Water Resources South East and others to be an important part of a resilient future water network. A much more ambitious planning and infrastructure investment for regional sharing of water is likely to be needed even after demand management measures are prioritised and increased; improving the ability to move water to where it is needed irrespective of water company boundaries.
- 2.4. Additional coordination and alignment are needed across water companies on incident response, compensation packages, data sharing, water efficiency communications and innovation (see below 5.1).

**3. Do you agree that the Secretary of State should be able to direct water companies to take account of other abstractors' needs? Please provide reasons.**

- 3.1. Yes, the move to a catchment-based approach to planning water resources has the potential to lead to better outcomes for the environment. It is logical that water companies should consider the needs of, and work with other non-water company abstractors in the catchment, in order to move to whole catchment solutions, which consider water resource availability alongside water quality and ecology.

**4. Do you agree that the water resources management planning process should be recognised in legislation as a measure to deliver environmental objectives? Please provide reasons.**

- 4.1. Yes. WRMPs covering London should not only mitigate ecological harm and maintain existing habitat but should actively increase habitat and improve ecology to support the Mayor's habitat targets. Water companies should adopt a natural capital accounting approach to understanding and enhancing their natural assets.
- 4.2. WRMPs should also consider how their infrastructure and operations impact carbon targets such as the Mayor's objective for London to be a zero-carbon city by 2050. This should be a key consideration in the options appraisal process for water and wastewater infrastructure. In

addition to operational carbon emissions, there will be significant embodied carbon related to new process equipment, pump, pipes, power source, etc, which must also be considered. Air quality impacts of fleet, operations and construction equipment should also be considered in line with the Mayor's air quality policies in the London Environment Strategy.

- 4.3. While WRMPs already consider future impacts of climate change and business plans consider resilience in the round, the water resource management planning process and the regional water resource planning process should actively plan for resilience across the south east and London. Involvement in local resilience planning, such as London's London Resilience Forum, should be required for all water companies.

**5. Do you agree with our proposals to improve the legislation governing Water Resources Management Plans? Please provide reasons.**

- 5.1. Yes. There is a need for more transparency of water utility data and the Mayor believes London water companies should share data between themselves, and more widely with stakeholders (including the Greater London Authority and London boroughs), to:
  - 5.1.1. Better target vulnerable customers for the Priority Services Register, general communications and for emergency/incident response
  - 5.1.2. Improve London-wide efficiency, drought and emergency communications
  - 5.1.3. Understand London-wide consumption patterns to inform future policies and programmes
  - 5.1.4. Better target retrofit activities for both households and businesses
  - 5.1.5. Target water efficiency communications campaigns (using the smart meter rollout)
  - 5.1.6. Share results of pilot programmes to support industry-wide evidence base and research programmes, particularly water efficiency programmes
  - 5.1.7. This must include water retailers to encourage better cooperation and information sharing between wholesale water companies and retailers

**6. Do you have any further suggestions about how we could improve the primary legislation that governs water resources management planning? These could be either administrative improvements, such as how confidential information is dealt with, or to achieve better water resources outcomes. Please provide reasons for your suggestions.**

- 6.1. The Mayor should be included as a statutory consultee on any WRMP that includes supply to Greater London. Currently the Mayor has no statutory responsibilities in relation to water resources and has limited ability to promote the alignment of the WRMPs for the four water companies supplying London with each other and with the London Plan.
- 6.2. Regeneration and growth planned for London's Opportunity Areas represents a significant opportunity to embed best practice water resource management in new development and reduce future pressure on regional water resources. The Mayor is in a key position to support water companies in identifying these opportunities and to include water resource management requirements in relevant planning frameworks. The Mayor has already been leading on this through the preparation of Integrated Water Management Strategies for

several Opportunity Areas. In one of these Opportunity Areas there is a significant opportunity to offset up to 20% of potable water demand through reuse of treated effluent, however this is not included in the draft WRMP19 and the opportunity may be lost.

- 6.3. Confidentiality of data can be a significant barrier to cooperation between water companies, and indeed other infrastructure providers. This should be reviewed in light of aspirations for regional water resource management planning.

### **Drainage and Wastewater Management Plans**

#### **7. Do you agree that Drainage and Wastewater Management Plans should be made statutory and produced every five years? Please provide reasons.**

- 7.1. Yes, Drainage and Wastewater Management Plans (DWMP) should be made statutory and produced every five years. Surface water and sewer flood risk in London is complex, with inner parts of the city being drained by a combined sewer system that was designed for a smaller population and smaller areas of hard surfaces. The responsibility to manage this flood risk is shared between Lead Local Flood Authorities (LLFAs; the 32 London Boroughs and City of London) and Thames Water, the sewer provider. LLFAs are already required under the Flood and Water Management Act to prepare Surface Water Management Plans (SWMPs); giving DWMPs a similar statutory weight, and requiring that they be aligned with SWMPs, will create funding efficiencies and help reduce the level of surface water flood risk in London.
- 7.2. This will give drainage and wastewater planning equal weight with water resources planning and ensure that water companies commit sufficient internal resources to produce a plan that meets the intent of the process.
- 7.3. Making DWMPs statutory will also mean that the plans do not remain an internal planning document and are published and publicly consulted on in a clearly defined way. This will ensure that the outcomes are available to stakeholders and allow them to plan their own drainage and surface water management projects that help align with that of the water companies.
- 7.4. Aligning the statutory DWMPs with the same five-year cycle as water resources management plans and pricing reviews will ensure management measures are cost effective and do not require significant increases in customer charges. Having these detailed plans will also allow a more informed assessment of the investments for drainage and wastewater allocated within Business Plans.
- 7.5. It will also ensure plans for supply and drainage are better aligned and crucially, encourage integrated solutions to drainage and supply.

#### **8. Who should a water company consult with, and obtain information from in developing their Drainage and Wastewater Management Plans and at what stage in the development of their plans?**

- 8.1. Early in preparing a DWMP, a water company in Greater London should consult with and obtain information from:
  - 8.1.1. London boroughs and the City of London, in their capacity as Lead Local Flood Authority, as Local Planning Authority (including strategic planning and regeneration teams) and as Local Highways Authority – note that this will likely involve several different teams from each local authority;
  - 8.1.2. The Greater London Authority, in respect of growth and water management provisions of the London Plan, to coordinate infrastructure delivery in Opportunity Areas and to plan for resilience, including the Environment Team, the London Plan team, the Infrastructure Delivery Coordination Unit and the London Resilience Partnership.
  - 8.1.3. Other Risk Management Authorities, including Transport for London, the Environment Agency and Network Rail;
  - 8.1.4. The Catchment Partnerships;
  - 8.1.5. Environment and other relevant third sector organisations and professional bodies; and,
- 8.2. In addition to the above consultees, consultation on the draft DWMP should also be sought from:
  - 8.2.1. The Thames Regional Flood and Coastal Committee (RFCC) or South East RFCC, to ensure alignment with the RFCC's forward programme and identify the potential to combine water company and RFCC projects.

**9. What, if any, are the lessons we could use from the water resources management planning process in making Drainage and Wastewater Management Plans statutory?**

- 9.1. A DWMP should take a similar approach to a WRMP, considering a range of measures that either reduce wastewater generation or increase system capacity whilst having regard to climate change mitigation and adaptation and the ability to contribute positively or impact detrimentally on the environment. Distributed measures, e.g. source control measures, greywater recycling, rainwater reuse, water efficient fittings should be prioritised to prevent or defer the need for significant infrastructure upgrades.
- 9.2. Opportunities to achieve the objectives of both wastewater and water resources plans should be identified and form part of both plans where appropriate. For example, water efficiency programmes could also be used to reduce wastewater generation, or Thames Water upgrades could provide for reuse and distribution of highly treated effluent for non-potable uses.
- 9.3. The process should ensure that it is not constrained by existing AMP arrangements.
- 9.4. WRMP process is effective in examining long term trends in population and housing growth and considering climate change. These considerations are equally transferable to the DWMP process.

- 9.5. The better emerging WRMPs are taking an adaptive approach to their plans setting out clear trigger points for action and setting carefully assessed options at each 'gateway'/trigger point for a range of future scenarios. This technique should be applied to the DWMP process also.
- 9.6. Statutory DWMPs should have regard to relevant strategies such as the 25 year environment plan and local strategies such as the Mayor's London Environment Strategy and London Plan. This would encourage the DWMP process to take account of wider environmental objectives.

**10. Is the current non-statutory Drainage and Wastewater Management Plan framework clear and complete, and are there any changes/lessons learnt which we should take on board in making the process statutory?**

- 10.1. The existing Water UK DWMP Framework generally provides a good basis for a water company to prepare a DWMP. The Mayor is encouraged that it clearly suggests sustainable responses such as removal of connected impervious area, implementation of SuDS and network blockage management, as well as requiring companies to demonstrate that their plans protect and enhance the environment.
- 10.2. The Mayor is also encouraged that the framework commits water companies to address actions and expectations set out in government policies. In London, this should include alignment with the aims of the London Environment Strategy.
- 10.3. Any statutory framework for DWMPs should require water companies to consider surface water flood risk and quality beyond the extent of their networks, particularly where their network receives surface water from, or discharges to, a drain or watercourse owned or managed by another entity.

**11. Should there be government or regulator oversight in the Drainage and Wastewater Management Plan process and review of plans? What level and type of oversight should this be? Please provide reasons.**

- 11.1. The DWMP should be overseen by the regulator, Ofwat, in a similar fashion to their oversight of WRMPs. This will put the DWMP on the same level of importance as the WRMP and ensure that the water company commits adequate resources to preparing it. It will also provide the level of scrutiny and performance indicator monitoring needed to ensure the sector not only keeps up with the impacts of growth and climate change, but also innovates. Alignment with the WRMP process will also allow opportunities to achieve the objectives of both wastewater and water resources plans to be identified, creating efficiencies for both plans and moving toward truly integrated water management approaches.
- 11.2. The review should ensure consultation with stakeholders, especially other Risk Management Authorities, has been undertaken in a collaborative fashion and is aligned with their flood risk management plans.

## **Water Abstraction**

**12. Do you agree that the Environment Agency should be able to vary or revoke any licence that is causing unsustainable abstraction without paying compensation? Please provide reasons.**

12.1. Yes and as the environmental regulator the Environment Agency are best placed to determine this. The driver behind the proposed changes to licencing are environmentally driven and aimed at preventing damage to the environment and helping protect valuable water resources. In promoting healthier river catchments, this is likely to benefit London's water environment and water resource situation in the long term.

12.2. Where terminating or reviewing an abstraction licence risks causing an unreasonable negative impact on an abstractor the Environment Agency should be required, as part of the review process, to work with the water company and the licensee to find a sustainable alternative solution.

**13. Do you agree with our proposal to link unsustainable abstraction to various environmental duties as set out in this consultation? If not, how would you determine what constitutes unsustainable abstraction and why?**

13.1. No response.

**14. Should the Environment Agency be able to vary under used licences in the case of unsustainable abstraction to remove the underused portion, with suitable safeguards to protect necessary headroom? Please provide reasons, including possible safeguards you consider appropriate.**

14.1. No response.

**15. Should the Environment Agency also be able to vary under used licences where there is unmet need for additional water in the catchment, to remove the underused portion, with suitable safeguards to protect necessary headroom? Please provide reasons, including possible safeguards you consider appropriate**

15.1. No response.

**16. Should the Environment Agency be able to change any under used licence, once necessary headroom is taken into account, irrespective of proportion of under use? If not, what proportion of under use is appropriate?**

16.1. No response.



**17. What do you consider is the appropriate length of time for a licence to be under used before the Environment Agency could use this power? Please provide reasons.**

17.1. No response.

**18. Do you think anything more is needed in primary legislation to deliver the aims of the abstraction plan? Please provide reasons.**

18.1. No response.

**Land drainage: Internal Drainage Board charging methodology**

**19. Do you agree that the Land Drainage Act 1991 should be amended to enable a new charging methodology to determine special levies? Please provide reasons.**

19.1. No response.

**20. Do you agree that the Land Drainage Act 1991 should be amended to enable a new charging methodology to determine drainage rates? Please provide reasons.**

20.1. No response.

**21. Do you agree with the list of provisions that the alternative methodologies could include? Should anything else be taken into account? Please provide reasons.**

21.1. No response.

**22. With regards to both these methodologies what could the impact of provisions (a) and (b) be and are there any issues that government should take into account before making the regulations?**

22.1. No response.

**23. Should the new charging methodologies include exemptions for existing Internal Drainage Boards? For example, the new charging methodologies could apply automatically to all Internal Drainage Boards, or existing Internal Drainage Boards could remain on the existing charging methodologies or could decide between the new or the old charging methodologies.**

23.1. No response.

**Flood and Coastal Erosion Risk Management: Raising local funds**

**24. Do you agree that there is a need for new or modified powers or mechanisms to raise additional local funding to manage local flood and coastal erosion risk management risks?**

**Please provide reasons.**

- 24.1. Yes, modifications to current funding mechanisms are required to help manage local flooding risks.
- 24.2. The current partnership funding calculator, used by the Thames RFCC for both Flood Defence Grant-in-Aid and Local Levy, is heavily weighted towards fluvial/tidal flooding schemes. Therefore, it is very difficult through these existing mechanisms to obtain funding for localised surface water interventions, which are increasingly seen as the solution in dense urban environments such as London. In addition to this, it is also heavily weighted towards Environment Agency led schemes, as unlike the Environment Agency, other organisations (including Local Authorities) are unable to claim maintenance costs and therefore are at a disadvantage when scoring/ranking schemes.
- 24.3. The GLA is currently leading on the London Strategic SuDS Pilot, which looks to quantify the reductions in flood risk possible from small scale SuDS measures. This project will also prepare a modified partnership funding calculator, which aims to provide a better measurement of specific benefits provided by urban surface water flood risk management measures and attract additional funding for these measures.
- 24.4. Flood risk management schemes often create benefits far beyond their immediate surroundings. The Mayor would support research on potential funding schemes through which costs for construction or upgrading of flood risk management measures can be fairly allocated across the beneficiaries of those measures. Any such scheme would need to be designed to consider the ability of some types of institutions or residents to pay.

**25. Do you have any views on how best additional local funding can be raised fairly to better manage these risks and which existing public body is best placed to take on this function?**

- 25.1. Wastewater utility charges associated with surface water could be linked to connected impervious area (i.e. area-based charging), to provide both an incentive to reduce runoff at source and create a specific fund for drainage system and surface water management. Note that Ofwat recommended that water companies adopt this method of charging in 2003 however, to date only four companies within England have adopted a surface area-based charging system, none of which covers London. Greater encouragement and enabling of companies to adopt area-based charging could provide the necessary financial incentive for developments to reduce their runoff.
- 25.2. Additional local funding should be managed by Regional Flood and Coastal Committees. RFCCs are well placed to manage flooding across local authority boundaries, while still providing local community involvement (i.e. Local Authorities) in decision making. RFCC meetings should be facilitated by representatives from risk management authorities covering all forms of flood risk to ensure balanced representation for all flood risk settings.

**26. Do you support legislating to enable the Somerset Rivers Authority to be formalised (as a flood Risk Management Authority with precepting powers)?**

26.1. No response.

**Modernising the process for modifying water company licence conditions**

**27. Do you agree with the case for modernising the way in which Ofwat modifies licence conditions? Please provide reasons.**

27.1. Yes. The Mayor was critical of the response to the freeze-thaw event of both Thames Water and Affinity Water, the two most affected London water companies and wrote to Ofwat calling for tough action to ensure water companies were better prepared for future events. During this event more than 20,000 homes in London were left without water. The Mayor supports Ofwat holding water companies to account following such a disruption and supports the proposal to strengthen Ofwat's powers to do so in future.

**28. Do you agree with the proposal to base a modernised model on that currently used within the energy sector? Please provide reasons.**

28.1. Yes. See response to question 27.

**29. Have you any other suggestions for a different model for licence condition modification? Please provide reasons and explain what this could be.**

29.1. No response.

**30. Do you agree with the proposal to modernise Ofwat's information gathering powers? Please provide reasons.**

30.1. Yes. See response to question 27.

**31. Do you agree with the proposal to modernise the way in which documents can be served, to include email? Please provide reasons, including any groups of people or type of documents for which email is not appropriate.**

31.1. No response.