

## WildFish Response to Consultation:

### *“Introduction of the Water Resources Management Plan scheme delivery metric into the Environmental Performance Assessment for water and sewerage companies: Consultation by Environment Agency and Natural Resources Wales”*

WildFish is an environmental charity which has specific concerns at the increased pressure of abstraction on rivers and, in particular, the impact on chalkstreams, where the effects can be very significant.

We note that WildFish is included as a consultee as part of the Blueprint for Water Coalition, but we have taken the opportunity to respond individually given our position and recent campaigns on water resource planning and specifically Water Resource Management Plans.

Overall, WildFish is supportive of the plan to introduce the new metric as we believe it will take into account the absolutely vital consideration of long-term water resource planning, whereas the present system does not.

## Background

The Water Industry Act 1991 (WIA) requires water undertakers to “maintain a water resources management plan” (37A (1)), with annual updates on progress (37A (5)).

However, what we have in practice is not a maintained plan but a muddle of substantial revisions, which effectively mean that, at every stage of review, there are new strategies and targets. Unfortunately, there is little or no oversight and enforcement to hold water companies to account on fulfilling these targets for long-term supply measures.

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In our experience of the WRMP process for Southern Water, for instance, long-term measures advocated in successive WRMPs fall by the wayside.

In 2018, we took part in the Test and Itchen abstraction licensing appeal which resulted in a statutory agreement (s 20 Water Resources Act 1991) to meet stringent targets for long-term measures set out in the WRMP.

But the long-term strategies referred to in the 2019 WRMP have evolved into completely different schemes or have lapsed.

What has been absent is proper consideration and effective regulatory control over meeting such targets.

## **The present metric: SDBI**

As the consultation document explains, the proposed metric results would form part of the EA's Environment Performance Assessment for WaSCs.

However, the way the performance of WaSCs is presently measured is by way of the Supply Demand Balance Index (SDBI) – a metric that measures how “*the actual supply demand balance has performed compared to what is set out in a water company's Water Resources Management Plan (WRMP).*”<sup>1</sup>

The EA guidance (Environmental Performance Assessment (EPA) methodology (version 8) for 2021 to 2025) suggests that the current metric does not look at water company performance in meeting obligations for long-term measures. We believe that to be a serious lacuna.

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<sup>1</sup> [EPA-methodology-version-8-October-2020.pdf](#)

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The current formula is described in the EA's Methodology document as follows:

*“The index is based on the difference between the available headroom. . and the target headroom specified in a WRMP for each resource zone. The ‘surplus/deficit’ is then expressed as a percentage of the sum of distribution input and target headroom. Available headroom = WAFU (water available for use)(Ml/d) + bulk imports (Ml/d) – bulk exports (Ml/d) – dry year distribution input (Ml/d).”*

In other words, the current metric only takes into account the present state of supply and demand, but not the progress made in developing long-term measures (something with which we are specifically concerned). That is an important omission. We have particular experience of the damage caused by over-abstraction where long term measures are left undetermined in Southern Water's Western and Central areas, particularly on the River Test Site of Special Scientific Interest (SSSI) and the River Itchen Special Area of Conservation (SAC). Without taking into account the progress of measures to provide supply, the present metric does not provide sufficient information for regulatory purposes.

## The new metric

The consultation indicates that WaterUK as the trade body has taken exception to the current SDBI methodology. According to the consultation document, that is because:

*“A key recurring challenge encountered is the timing of reporting and the ability for the water industry to provide final board assured data to EA in May. Water companies are required to complete an end of year water balance to ensure that their reporting against the SDBI is appropriate, however with the EPA timeframes the time to complete this and achieve*

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*sign off is condensed to approximately 5 weeks. Water companies have repeatedly faced challenges in doing this.*

*Through the EPA consultation, the water industry resoundingly called for the SDBI metric to be removed from the EPA. Alongside concerns regarding timing and board assurance, numerous issues were raised in relation to the use of both dry year forecast supply data and actual demand, outage and transfer data in the calculation. The water companies also referred to complexities around drought options and levels of service.”*

Our initial view on WaterUK’s response is that the water companies should adapt to meet the requirements of the framework and not vice versa. Their complaints seem to be based on the failure of the regime to meet their members’ business preferences, which is never a good reason to change the regime.

The EA’s proposals do not appear to have acceded to the water companies’ preferences but have expanded the metric to include not just supply/demand but also matters relating to the delivery of long-term measures.

The new formula is as follows:

*“(Scheme 1’s percentage delivered x Scheme 1’s contribution to the overall WRMP programme x 100)*

*= Total water company level WRMP scheme delivery percentage*

Although we do not have specific expertise in the creation of such formulae, we believe that this would improve matters considerably, as it would provide a

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simple tool to measure actual progress in projects planned to increase supply by, for instance, the building of new reservoirs.

In the discussion about the process, the EA confirms that there will be regular checks:

*“This metric will have direct links to and align with the WRMP annual review process and is designed to complement each process. The EPA metric will report on WRMP scheme delivery as a percentage, whilst the 2025 annual review will include reporting of estimated dry year annual average benefits delivered against the WRMP forecast. Water company assessment of scheme progress for the EPA will be key to informing the assessment of benefits delivered in the annual review. There are multiple activities that will be done once between the two processes including the quarterly progress updates and the change management process.*

*We expect water companies to provide quarterly progress updates to the EA on scheme delivery in their liaison meetings. This can be used to highlight delivery progress within the reporting year, including challenges and any mitigation actions being taken in response to under-delivery risks.”*

That appears to be a positive step forwards in linking processes to ensure better delivery by the WaSCs. However, we have several concerns:

1. The full introduction of the model would not be until 2027 – which is too far into the future. There should be greater urgency.
2. There is no clear indication of what the regulatory response would be where the WaSC has not met the targets built into the metric, and at what stage such a response would occur. Could the EA act to require water companies to comply and would that be possible before the yearly EPA?

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Would there be penalties for not meeting targets? Or is this just about reporting?

We welcome the opportunity to respond to the consultation but believe that the above points ought to be clarified.

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May 2025

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