

Matter 14 Development Standards

**United Utilities Water Limited
Representor Reference ID 72**

Question 14.3 Policy DS 6PU

1) Inspectors' Questions

Q14.3 What is the evidence in terms of the need for the higher water use efficiency standard as proposed in suggested Main Modification MA-LP36? How has the effect of this standard on viability been taken into account?

UUW believes that the proposed amendments are justified by clear evidence. We do, however, suggest that Main Modification Ref-LP14 is amended to provide some flexibility in case of any future updates to national standards.

'Incorporate the higher National Housing Standard for water consumption of 110 litres per person per day in new housing developments (or any future updates) and achieve a BREEAM rating of excellent in new non-domestic buildings.

2) National Legislation, Policy and Guidance

Water Industry Act 1991

Section 93A places a duty on every water undertaker to promote the efficient use of water by its customers.

National Planning Policy Framework (NPPF)

Paragraph 153 states that *'plans should take a proactive approach to mitigating and adapting to climate change, taking into account the **long-term implications** for, **water supply**, biodiversity and landscapes, and **the risk of overheating from rising temperatures**. Policies should support appropriate measures to ensure the **future resilience of communities and infrastructure to climate change impacts....'***

National Planning Practice Guidance (PPG)

This states that where there is a clear local need, local planning authorities can set the tighter Building Regulations optional requirement of 110 l/p/d. Implementation should be based on evidence; consultation; and consideration of the impact on viability / supply.

3) Copeland

In the North West, the supply of water is split into 4 resource zones. Copeland falls within the *'Strategic Resource Zone'* (SRZ) which serves a population of around 7 million people. The

evidence to support the optional standard is not constrained to considering the local needs of Copeland but rather the needs of the SRZ.

4) Evidence

a) Water Stressed Areas – final Classification (July 2013)¹

This considers the revised methodology for classifying water stressed areas which could be universally metered. Water companies in areas classified as seriously water stressed need to evaluate compulsory metering alongside other options when preparing water resource management plans (WRMPs). The North West was identified as experiencing moderate water stress. As such, UuW was not seriously stressed for the purposes of compulsory metering. The document states that *‘Even in those areas designated as “not in serious water stress” under the new methodology, there should be some activity to ensure that water is used more efficiently and effectively. Water companies and water users should not disregard the environmental consequences of their abstraction.’*

b) North West River Basin Management Plan (RBMP) (December 2015)²

This states that *‘Dealing with unsustainable abstraction and **implementing water efficiency measures is essential to prepare and be able to adapt to climate change and increased water demand in future.**’*

Part 1 Section 3.2 outlines measures to prevent deterioration and improve the water environment, including changes to natural flow and the level of water. Page 45 states (amongst other things):

‘Regulators, operators, influencers and project undertakers make sure water is used efficiently:

- *Local government sets out local plan policies requiring new homes to meet the tighter water efficiency standard of 110 litres per person per day as described in Part G of Schedule 1 to the Building Regulations 2010.*
- *Industry manufacturing and other business implement tighter levels of water efficiency, as proposed by changes to the Building Regulations.’*

Section 4.2 outlines demand measures implemented:

¹ [Water Stressed Areas – final Classification \(July 2013\)](#)

² [The North West River Basin Management Plan \(RBMP\) \(December 2015\)](#)

'Local Development Plans/Frameworks have been introduced which set out local plan policies requiring new homes to meet the tighter water efficiency standard of 110 litres per person per day as described in Part G of Schedule 1 to the Building Regulations 2010.'

The RBMP identifies a high percentage of water bodies as not achieving good ecological status or potential noting that changes to flow and level are a significant water management issue.

c) United Utilities Water Resources Management Plan August 2019 (WRMP19)³

This identifies future reduced water availability due to climate change and that water efficiency has an important contribution to maintain a supply-demand balance. The baseline supply and demand position showed a small deficit at the end of the planning horizon (2045) in the SRZ. This was proposed to be addressed through demand management measures, including a reduction in per capita consumption (PCC) and leakage.

d) Meeting Our Future Water Needs: A National Framework for Water Resources (March 2020)⁴

This defines different Regional Groups to work together to develop regional plans to meet the national ambition to improve the environment in 'A Green Future: Our 25 Year Plan to Improve the Environment' (January 2018)⁵ which included a commitment to work with the water industry to set an ambitious personal consumption target.

UUW is within the Water Resources West (WRW) region. The Framework notes that WRW faces the **second highest pressures on water resources in England**, largely due to population growth. It states that increased consumption, driven by population increases, is the largest driver of additional water need in the region and that **WRW sees the second greatest pressures on public water supply when viewed in total** and the highest total abstraction from 'industry'.

Materially, it states *'Regional groups should contribute to a national ambition on average PCC of 110 l/p/d by 2050 - this should be reviewed every 5 years.'* This compares with an average PCC for England of 143 litres.

³ [United Utilities Water Resources Management Plan August 2019 \(WRMP19\)](#)

⁴ [Meeting Our Future Water Needs: A National Framework for Water Resources \(March 2020\)](#)

⁵ [A Green Future: Our 25 Year Plan to Improve the Environment, HM Government \(January 2018\).](#)

e) Water Stressed Areas – 2021 Classification (July 2021)⁶

This confirms which water companies are seriously water stressed. As per the 2013 classification, the principal purpose of the document is to inform the consideration of compulsory metering. It states that *‘Local authorities can use the water stress determination to inform whether they can require the tighter standard of 110 litres per head per day in new developments. Otherwise the use of the water stress determination is only to allow water companies to consider compulsory metering in their water resources management plans. It must not be used for other purposes such as development planning or water resources planning.’* It acknowledges that *‘Even those areas that have been determined as not seriously water stressed, still experience pressure on water resources.’*

It only classifies local authorities as being either seriously stressed or not seriously stressed. UUW is identified as ‘not seriously stressed’ for the purposes of compulsory metering. It states, *‘We have continued to use the terms ‘serious’ and ‘not serious’ as in the classification in 2013 as the determination is solely to indicate the consideration of compulsory metering.’*

f) The Water Resources West (WRW): Water Efficiency in New Homes (October 2021)⁷

This identifies WRW as having *‘moderate water stress.’* It strongly recommends that Local Authorities in WRW adopt 110 l/p/d for water efficiency.

It adopts an ambition of reducing average PCC (i.e., existing houses and new builds) to 110 l/p/d by 2050. Even with this reduction, parts of the region will need new water resources. If the reductions are not achieved, more significant and costly water resources will be needed.

WRW notes that the region faces the **second highest pressures on water resources in England**, whilst abstraction licences of water companies are being reduced. Within WRW, it is estimated that there will be 1.6 million new properties by 2050.

It states that public concern highlights the need to support water saving. Surveys of water users in the region have shown that, while there is little general awareness of the issues, once informed, 70% are concerned about water scarcity.

The WRW evidence states that, *‘even with these reductions in consumption [adoption of the water efficiency Building Regulation Requirements] parts of our region will need new water resources to be developed. If the planned reductions are not achieved, then more significant costly water*

⁶ [Water Stressed Areas – 2021 Classification](#)

⁷ [Water Efficiency in New Homes, Water Resources West, October 2021](#)

resources will need to be developed. It is therefore important the measures are taken **across the region** to support the achievement of the lower capita consumption’.

g) Water Resources West – Emerging Regional Plan for Consultation (January 2022)⁸

This updates figures on the supply and demand balance. In comparison with WRMP19, it forecasts a larger deficit in the SRZ from 2025 onwards which progressively worsens to 2050 and beyond.

h) Draft Water Resources Management Plan 2024 (December 2022)⁹

This forecasts a supply-demand deficit in the SRZ. While WRMP19 and WRMP24 both forecast deficits, the context between the plans differs. WRMP19 was based on being resilient to a repeat of our worst historic drought. A key change to the guidance since our previous plan is the requirement in WRMP24 to demonstrate resilience to 1 in 500-year drought by 2039 and a resilience to 1 in 200-year droughts until that point. To reconcile this deficit, there is a need for demand management measures, including a reduction in average PCC across the resource zone to 110 l/p/d. Section 8.4.3 states:

‘Based on our commitments to reduce demand for water, to support water resources resilience and reduce our impact on the environment, we are requesting that all local authorities in our supply area adopt the optional minimum building standard of 110 litres per person per day (lppd) in all new builds.’

There is also an ambitious leakage reduction target of 50%. In addition, there will be a need to identify future supply side measures to meet the region’s needs.

i) Department for Communities and Local Government Housing Standards Review Cost Impacts (September 2014)¹⁰

This considered the costs of achieving the water efficiency standards in the Code for Sustainable Homes. Table 26 in Section 3.5.4 demonstrated the cost of complying with each standard in the Code compared with usual costs. Code levels 3 and 4 set a water efficiency target of 105 l/p/d

⁸ [Water Resources West – Emerging Regional Plan for Consultation \(January 2022\): Appendix H Supporting Data Tables](#)

⁹ <https://www.unitedutilities.com/corporate/about-us/our-future-plans/water-resources/developing-our-water-resources-management-plan/>

¹⁰ [Department for Communities and Local Government Housing Standards Review Cost Impacts \(September 2014\)](#)

which is slightly less than the 110 l/p/d in the optional standard. The report concluded that 105 l/p/d could be achieved for a 3 bed / 4 bed detached house at an additional cost of £9. For 1 bed apartments, 2 bed apartments and a 2 bed terrace, the additional cost was £6. This is consistent with the £9 quoted within the WRW Evidence submitted during the local plan consultation. Using the Bank of England Inflation Calculator to translate costs in 2014 to costs in November 2022, these costs equate to £7.60 and £11.41¹¹.

5) Consultation

Paragraph 015 of the NPPG states that a clear need should be established through consultation with the local water and sewage company, the EA and catchment partnerships. It is material that many of the aforementioned documents have been subject to consultation with significant involvement from the EA.

6) Viability

The above evidence has confirmed that a target per capita consumption of 110 l/p/d has been estimated as a one-off cost of £9 for a four-bedroom house. Although it is for Copeland Council to consider viability, the cost of implementing the optional standard is negligible.

It is worth noting the success of UUW's developer incentive scheme where developers are financially rewarded if they build new dwellings to a tighter water efficiency standard by receiving a reduction in their infrastructure charge for water supply. Developers are offered a reduction if they achieve 100 l/p/d. The target for receiving this incentive was initially set at 110 l/p/d in 2018 but has since been reduced to 100 l/p/d in April 2021. Since introduction of the incentive in 2018, over 86,000 plots have signed up. Since April 2021, around 40,000 new dwellings have continued to sign up in spite of the tighter standard. In 2022/23, the water infrastructure charge reduces from £302 per dwelling to £30¹² as a result of the inclusion of water efficiency measures to 100 l/p/d.

Research undertaken for the Welsh Government indicated potential annual savings on water and energy bills for householders of £24 per year as a result of such water efficiency measures¹³. The Consumer Council for Water notes that the standard of 110 l/p/d is something that should be

¹¹ [Bank of England Inflation Calculator](#)

¹² [Charges for a new water connection A quick guide for house builders \(2022/23\) \(United Utilities\)](#)

¹³ [Advice on water efficient new homes for England, Waterwise, September 2018](#)

pursued, acknowledging that saving water is not the only driver of water efficiency¹⁴. It reduces energy bills, water bills of metered customers and carbon emissions.

7) Conclusions

Based on the policy review, the summarised evidence, the consultation undertaken and the assessment of the cost, our view is that the optional standard is justified and consistent with national policy.

The National Framework identifies WRW as having the second highest pressures on water resources in England and sets a national ambition on average PCC of 110 l/p/d by 2050.

Introduction of the optional standard is supported by the North West River Basin Management, the WRW evidence and the latest draft WRMP for U UW. There is evidence of a worsening supply-demand baseline deficit in the SRZ which needs to be addressed by a reduction in PCC.

There is clear evidence that the cost of implementing the standard is negligible and it is notable that there is an incentive offered by U UW which has had a highly successful uptake rate.

Ultimately it is for the Council to consider viability and there is always scope for an applicant to present evidence to demonstrate viability issues to take account of site-specific circumstances.

U UW is wholly supportive of the tighter water efficiency standard to ensure future water availability. Indeed, in the face of a supply and demand baseline deficit in the SRZ and a regional and national ambition to reduce PCC to 110 l/p/d in all houses by 2050, it would be illogical to construct new houses now which do not contribute to this ambition.

¹⁴ [Consultation on measures to reduce personal water use, A Defra consultation paper, Consumer Council for Water Response \(October 2019\)](#)