Managing land to provide better water
(How to get Water companies to fund peatland restoration)

SWW’s Catchment Management programe

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SWW – Regulated Business Model

- Pennon - UK Owned Parent company (also Virador)
- PLC, FTSE 250 Shareholders and high percentage of workforce ownership
- Public Health duties for Drinking and Wastewater (operating licence)
- Circular economy model - taking raw water from the environment and returning it
- Regulated by OFWAT, and Defra (EA, NE), DWP, CCW. N.B. E&W only
- Between them they set agenda for how SWW interacts with the natural environment
- SWW also required to fulfil CAR duties as set out in the Water Act and has responsibilities for delivering customer water use conservation

- Profit is made on regulated margins defined by Ofwat (less than 5% of bills)
- Additional profit is made by delivering business plans more efficiently and at lower than forecast costs
- Subject to Penalty and reward ODI’s set by Ofwat
Catchment Management Declaration

A step change in catchment management activity will be a demonstration of commitment to the ambition of the 25 Year Environment Plan by supporting water catchment-related activities that will facilitate a greater level of delivery.

This Declaration aims to bring sectors and organisations together to enable effective catchment management.

Current signatories:
- Affinity Water
- Bournemouth Water
- CIWEM
- Coca-Cola
- Coca-Cola
- BAS
- EnTrade
- M&S
- Natural Resources
- Nestle
- NFU
- Sainsbury's
- Severn Trent
- South East Water
- South West Water
- Southern Water
- Thames21
- United Utilities
- Waitrose
- Water UK
- Thames Water
- Rivers Trust
- Protecting wildlife for the future
- Thames Valley
- Wild Oxfordshire
- WWT
- Yorkshire Water
- ZSL

Water is everyone’s business

- Utilised Agricultural Area (UAA) is 17.4 million hectares, covering 27% of the total UK land area
- Food production
- Storm discharge
- Private treatment
- Pesticide and herbicide run-off
- Reservoir (public supply)
- Industry or clothing manufacturer
- Water Recycling
- Drinking water comes from 429 lakes, reservoirs and rivers, and 1,561 underground sources in the UK
- There are 8,354 Water Recycling Centres across the UK
- There are 1,133 Water Treatment Works in the UK
- Private abstraction
- Irrigation
- There are almost 1.9 million cows and 35.9 million sheep and lambs across the UK
- Freerange farming and grazing
- Highways drain
- Private discharges
- Wetland management
- Net gain and new development
- Customers
- The domestic sector in the UK used 16 billion m³ of water in 2015
- In 2015, 35% of surface water bodies assessed under the WFD in the UK were in 'fair' or 'good' status
-骚乱
REGION AND RESPONSIBILITIES

- 903,000 Household Customers
- 70,000 businesses
- Dispersed population
- Many tourists – pop. swells to 8m in summer
- Drinking water quality 99.98% to 99.99%
- A unique environment:
  - 35% of England’s designated bathing waters
  - 19% of England’s designated shellfish waters
  - National Parks, ANOBs, SACs, Biosphere Reserve /Pioneer, etc
Major Drinking Water Supply Catchments

- 80% surface water supply
- Catchments derived from upland sources
- Limited SWW land ownership
Catchment Issues

South West Water

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Catchment Management solutions

Traditional model

- asset-focused
- construction intensive
- high energy, resource costs
- high in carbon
- expensive

Catchment management

- holistic approach
- multiple benefits
- low cost
- pooled resources
- sustainable
- protects natural capital
- supported by regulator
Upstream Thinking

Flagship environmental project
£9m (2010-15) £10m (2015-20)

Partnership delivery

2 strands of work:
- moorland restoration
- agricultural improvements

Focus on water quality

Improving natural water quality and water storage in the landscape
SWW BENEFITS FROM PARTNERSHIP DELIVERY OF CATCHMENT MANAGEMENT

Match funding from sources SWW cannot access

Extra delivery by the partners in areas that SWW is less able to fund such as biodiversity

Use of a 3rd party for delivery brings greater success - the honest broker approach

Builds partnership support from stakeholders

Customer support and reputational benefits

Other models of Water company catchment management are available
Upstream Thinking: on the moors

Exmoor mires Partnership

Dartmoor mires PROJECT
SW Peatland Projects

£5m investment by SWW since 2006

+NE capital works

£2m Defra funds

Dartmoor Pilot project (2010-15)

Dartmoor Defra project (2018..)

Bodmin Defra Project (2018..)

Exmoor Mires Project 2006 ....
PR19

- OfWAT Business plan review and price setting process for water companies
- For period 2020-25 (AMP7)
- Draft plans with Ofwat (Sept 3\textsuperscript{rd})

New directions for Water companies from OFWAT and Defra (NE/EA)

- Resilience outcomes
- Support for catchment management approaches where these are of value for customers
- Natural Capital approaches and 25year Environment plan outcomes,
  - market driven approaches,
  - new reward and penalty ODI’s including catchment management.
- WINEP
Opportunities for Peatland restoration:

Water companies will look to invest in integrated solutions for assets and risks

Catchment management schemes which deliver slow clean raw water - targeted to deliver additional outcomes:

- flood risk reduction, (NFM)
- reduction of catchment flow sources into urban areas
- reduction of CSO discharge risks
- catchment nutrient loading reduction
- reduced nutrient and sediment loading into bathing waters
- carbon storage
- catchment base flows
- regulatory biodiversity outcomes (habitat, species and WFD).
- ALL ABOUT INCREASING RESILIANCE