



The voice for water consumers
Llais defnyddwyr dŵr

CCW's response to the consultation on Portsmouth Water's draft Water Resource Management Plan 2024

February 2023

Introduction

The Consumer Council for Water (CCW) is the independent voice for water consumers in England and Wales. Since 2005, we have helped thousands of consumers resolve complaints against their water company, while providing free advice and support. All of our work is informed by extensive research, which we use to champion the interests of consumers and influence water companies, governments and regulators.

We welcome the opportunity to comment on Portsmouth Water's draft Water Resource Management Plan (WRMP) 2024.

Response

Summary of our key issues/concerns

The draft WRMP developed by Portsmouth Water sets out how the company will respond to the challenges being faced to ensure customers remain in supply at 2050. The Non-technical summary was a really helpful, clear and engaging document that would give any reader the sufficient information to understand and query the plan proposed. Customers reading this document would be able to understand the current situation, the challenges facing the region, the process taken to reach the draft plan and the substance and implications of the options selected with the plan.

However, we would like to see more information within the plan on:

- Metering plans for non-household properties, including the plans for smart meter installation;
- What safeguards are in place to protect the company and customers in areas of the plan which are dependent on Southern Water performance; and
- How the large reduction in PCC will be achieved, in order to meet the government target by 2050.

We would also like to stress the importance of Portsmouth Water continuing to work with customers and wider groups, including CCW, to ensure that all customers are supported on their move towards metering and smart metering and that vulnerable customers are identified and protected against any unfair detrimental impact from these changes.

Please find more detail on the above within our answers to the specific questions from the consultation in the following section.

Response to specific questions

1. **Do you support the balance between saving water from leaks, metering and water efficiency, and water being supplied from new sources?**

Specific comments on leakage, metering and water efficiency are addressed in the answers to the relevant questions below.

The plan has clearly taken customer engagement on board to help prioritise the balance of these factors in meeting the challenges facing the company, with leakage reduction and metering forming key elements of the plan. Limitations on supply options due to the supply area being designated as over-abstracted are noted and it is promising to see innovative

solutions such as water recycling and desalination to increase supply considered and consulted on with customers.

We note that key elements on the supply side of the plan in the longer term are dependent on the success of Southern Water in developing their own new supply sources which is largely out of the control of Portsmouth Water. Whilst we are pleased to see this joint company working, it should provide assurance to customers on what safeguards are in place to protect them in the event that Southern Water are not able to sufficiently reduce demand and develop alternative supply options.

It is good to see transparency in the option for water recycling at Havant Thicket being clearly documented in the plan and the Non-technical summary including the ramifications for Portsmouth Water customers, despite being a part of Southern Water's resource plan. We hope that Portsmouth Water's engagement with customers on this issue will continue to ensure that their customers are convinced of the benefits of such a plan prior to it coming into play.

2. Do you support our plans to reduce leaks by half by 2050?

We are pleased to see Portsmouth Water responding to a customer priority of seeing leaks fixed, as well as making plans to meet the industry's commitment by continuing to reduce leakage onto 2075. It is reassuring that any decision to meet this target ahead of target (by 2040) is being consulted with customers as part of the 25-year vision statement.

We would encourage the company to share any innovative approaches to fixing leaks more widely across the sector to support the industry's ambition to reach 50% reduction in leakage by 2050.

3. Do you support our plans to help homeowners and businesses to save water?

The plan sets an ambitious target for household water savings which are key to meeting the government target Per Capita Consumption (PCC) of 110 l/p/day by 2050, alongside metering plans and government water efficiency labelling.

Although the aim is to be applauded, with Portsmouth's current high PCC and recent PCC trends in the region it will presumably take something quite radical to meet this aim. On review of the plan, it is not clear which of the elements of the plans to improve household water savings will be new/changed/enhanced compared with the current approach. Given recent trends in customer demand could you please set out what the company will be doing differently in their plans to encourage and enable customers (both household and non-household) to use less water?

It is disappointing that the draft WRMP lacks ambition on how the company should work with business customers and retailers in the short and long term to reduce demand and increase water efficiency. Particularly in light of the target of 15% reduction in non-household water usage by 2050 set out in the Environmental Improvement Plan.

The non-household retail market has so far failed to deliver a market for water efficiency

assistance for business customers in England to the extent that was envisioned when the non-household retail market was created. While the introduction of a new business demand Performance Commitment by Ofwat in the PR24 final methodology means there will be greater transparency and an opportunity to set challenging targets, this is not a regulatory measure that can deliver demand reduction by itself. Wholesale companies' plans need to be clearer on how they will manage business demand, especially in areas more at risk of water scarcity.

We would like to see greater innovation and ambition in demand management, with wholesale companies showing how they will engage with customers and retailers on joined up strategies to help reduce demand. Improved consumption data from business premises that have smart meters may help wholesalers and retailers do more to reduce demand. It would be helpful to clarify your metering plans for non-household properties, including the plans for smart meter installation and data use, within the plan.

4. Do you agree water bills based on the amount of water a household uses would be fairer than bills based on rateable value (the estimated rent of a property)?

Metering is the fairest basis for charging for water and sewerage services and should be the long-term aim for water companies. Moving to a universal metering approach, due to being in an area of serious water stress, and rolling out smart meters across homes over the next decade will support Portsmouth Water's aim to drive down leakage and customer demand. However, it will be extremely important for the company to consider how best it can support customers' through the transition to metered charging and smart meters, learning from the experience of the companies that have previously undertaken similar programmes. We would expect the company to provide both practical and financial support to those who need this and would therefore be keen to work closely with the company as they develop their metering strategy, and learn from companies who have successfully gone through this process before.

5. Do you support our plans to install meters at most homes we supply to encourage water saving and find more leaks?

In light of the concerns around metering held by some Portsmouth Water customers we encourage the company to ensure that these customers' concerns are addressed and these customers are taken with the company on the proposed journey towards near 100% household metering rather than feeling compelled to have a meter against their will. This means explanation of the benefits of metering, advice (and practical help) on how to save water and information about the financial help available particularly to lower income customers, such as WaterSure, who may pay more on a meter. The continued identification of, and support for, consumers in vulnerable circumstances will also be important in this to ensure they are not unfairly impacted. It will be essential that the company understands the potential financial impact that the switch to a water meter will have on its customers so that it can tailor the support it provides. The plan states that a survey of support organisations in 2022 identified metering as a potential source of anxiety for consumers in vulnerable circumstances and that this information is being fed into the approach to delivering universal metering. Communication ahead, during and after a meter is installed will be key. We would

therefore welcome an opportunity to discuss these plans in more detail with the company before they are finalised, and share best practice.

6. Do you support the use of smart meters? (So customers can track their water use and spot leaks)

We agree that the use of smart meters has the potential to help optimise networks to reduce leakage, and to improve and target communications to encourage consumers to use less water. However, Portsmouth Water should be clear with customers about what data is needed, how it will be gathered, analysed, used and stored.

It is promising to see that the online panel were in favour of smart meters once they were provided with the required information. As with the roll out of universal metering, Portsmouth Water need to make sure that they provide this information to customers, particularly consumers in vulnerable circumstances in a way that they can understand, to ensure they are not detrimentally impacted.

7. How did you hear about our consultation on our water resources plan?

We were contacted by Portsmouth Water.

Enquiries

Enquiries about this consultation response should be addressed to:

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