

Matter 11 – Policy SP13 Climate Change and Sustainable Development

United Utilities Water Limited (Uuw)

Question 6

1) United Utilities Water Limited (UUW)

UUW is the statutory water and wastewater undertaker for the north west of England including Hyndburn. UUW is a statutory consultee in the preparation of development plans.

2) Inspector's Question

6. Part h of the policy encourages water efficiency. Whilst the Borough is not in water stress, is there evidence to support the higher optional water efficiency standards set through Building Regulations?

UUW believes that Policy SP13 should reference the tighter building regulations optional requirement of 110 litres/person/day (l/p/d). Our recommended policy wording is set out below.

All new residential developments must achieve, as a minimum, the optional requirement set through Building Regulations Requirement G2: Water Efficiency or any future updates.

All major non-residential development shall incorporate water efficiency measures so that predicted per capita consumption does not exceed the levels set out in the applicable BREEAM 'Excellent' standard.

3) National Legislation, Policy and Guidance

Water Industry Act 1991

Section 93A of the Water Industry Act 1991 places a duty on every water undertaker to promote the efficient use of water by its customers.

National Planning Policy Framework (NPPF)

The purpose of the planning system is to contribute to the achievement of sustainable development. It identifies three overarching objectives (economic, social and environmental). The efficient use of water is directly linked to these objectives.

Paragraph 158 states that *'plans should take a proactive approach to mitigating and adapting to climate change, taking into account the **long-term implications** for flood risk, coastal change, **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 existing sources of evidence; consultation; and consideration of the impact on viability and supply.

The PPG is clear that the water stressed classification is not the only source of primary evidence which can be used to justify the implementation of the tighter water efficiency standard. There are a range of pieces of primary evidence that can be used to justify the optional water efficiency standard including:

- the water stressed classification;
- Water resource management plans; and
- River Basin Management Plans. These include information on where water resources are contributing to a water body being classified as ‘at risk’ or ‘probably at risk’ of failing to achieve good ecological status, due to low flows or reduced water availability.

4) Hyndburn

In the North West, the supply of water is split into 4 resource zones. Hyndburn falls within the ‘Strategic Resource Zone’ which covers the majority of the North West. It serves around 7 million people. The evidence to support the optional standard is not constrained to simply considering the local needs of Hyndburn but rather the needs of the Strategic Resource Zone.

5) Evidence

a) The National Framework for Water Resources 2025¹

The modelling of scenarios of population growth, climate change and environmental sustainability reductions demonstrate that without action, there could be a public water supply deficit of up to 5,000 Megalitres per day by 2055. It identifies various contributing factors namely:

- Environmental sustainability: ‘Reductions in abstraction licences are needed in some catchments to accommodate legal environmental requirements’;
- An increase population: An increase of 8 million people by 2055;
- Improved resilience to drought: ‘By 2040, or earlier, water companies are planning to be resilient to a drought which has a 0.2% chance of occurring in any year’.

¹ [The National Framework For Water Resources 2025](#)

- Climate change: *‘The impacts of climate change are already starting to be felt and is likely to have an increasingly bigger impact. There is an urgent need to deliver actions to adapt to the impacts of climate change to protect the environment, improve the resilience of water supplies and to safeguard the economy from future periods of prolonged dry weather and drought.’*

b) Environment Improvement Plan 2023²

Page 105 confirms a national intention to achieve 110 l/p/d by 2050.

c) Water Stressed Areas – final Classification (July 2013)³

This sets out the revised methodology developed by the Environment Agency for the classification of areas of water stress. The primary aim of the revision was to provide evidence on water stress to the Secretary of State for designation of areas in England which could be universally metered under the Water Industry (Prescribed Conditions) Regulation 1999 (as amended). Under the Regulations, water companies in areas classified as seriously water stressed need to evaluate compulsory metering alongside other options when preparing water resource management plans (WRMPs).

This document identified the UUW area as one 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.’*

c) North West River Basin Management Plan (RBMP) (2022 Update)⁴

The RBMP identifies a high percentage of water bodies in the North West as not achieving good ecological status. Section 4.2.5 of the Habitats Regulation Assessment⁵ identifies water demand management as a measure proposed to manage the flow and level of water.

² [Environment Improvement Plan 2023](#)

³ [Water Stressed Areas – final Classification \(July 2013\)](#)

⁴ [North West River Basin Management Plan 2022](#)

⁵ [River basin management plan for the North West River Basin District HRA](#)

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

This confirms which water companies are identified as 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. The area of U UW 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.’*

e) The Water Resources West (WRW): Water Efficiency in New Homes v2.0⁷

This recognises that the WRW region faces the **second highest pressures on water resources in England**, largely due to population growth. At the same time, the abstraction licences of water companies are being reduced. Page 5 states:

‘A consequence of the population and housing growth in our region has meant that water companies have been asked to accommodate the new growth, yet at the same time their abstraction licenses are being reduced. Therefore it is vital that water companies support and are supported in initiatives to help get 110 l/p/d in planning policies across local authorities in the region, to help meet their requirement to supply their customers. The water companies in Water Resources West are Dwr Cymru Welsh Water, Severn Trent, South Staffs and United Utilities. In preparing your local plan you should consult with your local water supply company on specific local issues which may influence your decision on whether the 110 l/p/d should be applied, even if the area is not classed as being under ‘significant water stress’.’ (Underline is U UW emphasis).

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

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

f) United Utilities Final Water Resource Management Plan 2024⁸

The National Planning Practice Guidance is clear that there are a range of pieces of evidence that can be submitted to justify the implementation of the optional standard for water efficiency. It specifically references water resource management plans as a primary source of evidence to support the implementation of the optional standard for water efficiency in the construction of new homes (see paragraph: 016 Reference ID: 56-016-20150327). UUW has recently published an updated WRMP 2024. Page 74 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. We already incentivise water efficiency in new builds, by offering a 90% reduction in water charges to developers building water efficient homes which include measures to reduce water use to 100 lppd. This scheme was launched in 2018 and initially targeted a standard of 110 lppd, but due to the success of the scheme and to encourage further improvements in water efficiency, we reduced the threshold to 100 lppd in 2021. To date, more than 86,000 plots have been registered with many of these already built, creating savings of £25m for developers. A similar reduction on wastewater charges is available for properties featuring sustainable drainage, and both schemes are still available to developers building homes in the North West.'

WRMPs must be prepared to comply with the latest regulatory guidance. Reflecting the challenges presented by climate change, a key change to the regulatory guidance since our previous WRMP is the requirement to demonstrate resilience to 1 in 500 year droughts by 2039. Previously the requirement was to be resilient to a 1 in 200 year drought. The Environment Agency's Water Resources Planning Guidelines state that WRMPs should consider the supply-demand balance at times when a company's supplies are low, and demand is high. The baseline scenario to be adopted for companies in England should be the Dry Year Annual Average scenario.

WRMPs are also expected to take account of government aspirations for leakage reductions and reductions in per capita consumption (PCC) in their final plans. These are set out in the Environment

⁸ [United Utilities Final Water Resource Management Plan 2024](#)

Improvement Plan 2023 in which the government targets a reduction in water consumption to 110 l/p/d and halving rates of leakage by 2050.

WRMPs must also align with the relevant regional plan. For U UW, the Water Resources West Regional Plan⁹ and associated evidence recommends the implementation of the optional standard for water efficiency.

U UW has now published a Final Water Resource Management Plan 2024 (WRMP24) for the period 2025-2050. This sets out the baseline supply-demand balance for water resources, i.e., the difference between the water demanded and the water that can be supplied within the SRZ. It shows that without the drought supply and demand measures included in our drought plan, there is a potential deficit in the SRZ, of 52.6 MI/d in 2025/26 and without new interventions this rises to 314 MI/d by 2049/50. This deficit is illustrated in the below table and figure, which are extracted from our WRMP24. It is relevant to note that these figures were calculated in advance of the latest housing figures for the North West which further increase the North West’s annual housing requirement.

Table 14 Summary of baseline dry year annual average supply-demand balance by resource zone¹⁰

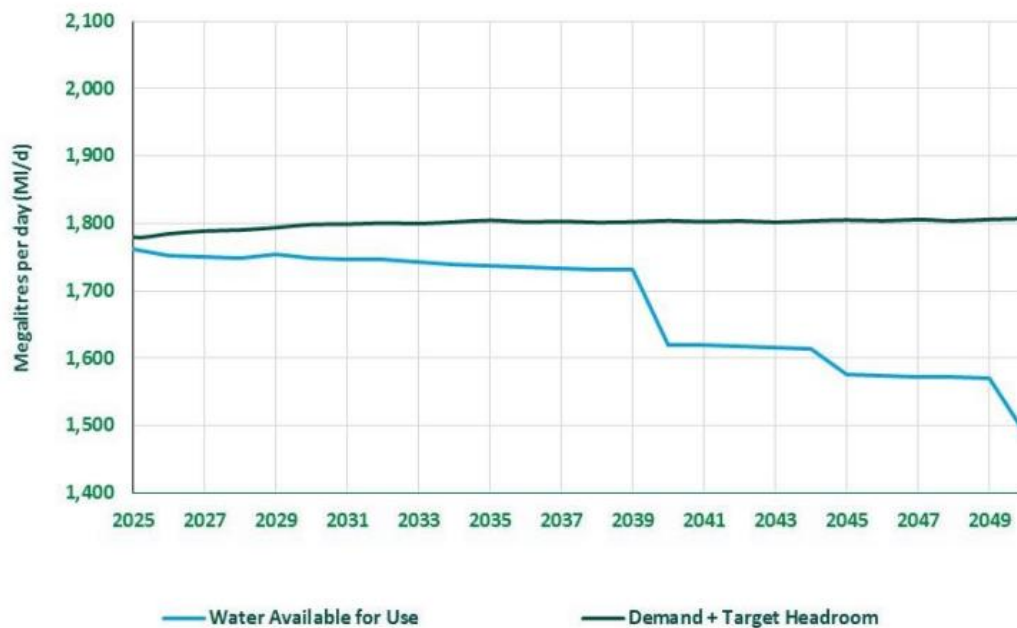
Dry Year Annual Average Supply-Demand Balance (MI/d) for year:

Resource Zone	2025/26	2030/31	2035/36	2040/41	2045/46	2049/50
Strategic	-52.6	-48.5	-63.9	-180.1	-226.3	-314.

⁹ [Water Resource West Final Regional Plan 2025](#)

¹⁰ [Water Resource Management Plan 2024 Main Report 2023 \(page 57\)](#)

Figure 22 Strategic Resource Zone – Dry Year Annual Average Supply-Demand Balance²



The baseline supply-demand balance shown in Table 14 and Figure 22 of WRMP24 confirms that without any interventions, the SRZ faces a deficit such that available supplies are insufficient to meet demand plus target headroom from 2025 onwards. It is a deficit that covers the future development plan period for Hyndburn and increases over time.

The supply-demand balance deficit is not a longer term problem. It is an immediate problem, which needs to be addressed through a range of interventions now. Without interventions, which include a reduction in leakage and the construction of new dwellings to the tighter standard for water efficiency, the supply-demand balance deficit will worsen and the pressures on the environment will increase.

Based on our commitments to reduce demand for water, to support water resources resilience and reduce our impact on the environment, WRMP24 requests that all local authorities in our supply area adopt the optional minimum building standard of 110 litres of water used per person per day in all new build dwellings. This is similarly stated in the Water Resources West Final Regional Plan and associated evidence.

Importantly, these interventions will increase resilience to climate change, reduce pressure to find new sources of water supply and reduce pressure on the environment. Changes to the flow and level of our water bodies are a water management issue and a key issue to consider in how we respond to

the supply and demand deficit. In this context, it is relevant to note that the North West River Basin Management Plan identifies a high percentage of water bodies as not achieving good ecological status or potential.

g) Water Ready A report to inform HM Government's road map for water efficient new homes¹¹

The optional standard is currently set at 110 litres l/p/d. Table 3 of this document confirms that the optional standard for water efficiency can be implemented at no extra cost. As such, there should be no concerns about the impact on viability as a result of implementing the optional standard for water efficiency.

6) 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.

7) Viability

The above evidence has confirmed that a target per capita consumption of 110 l/p/d can be achieved at no additional cost as such there is no impact on viability.

It is worth noting the wider economic, social and environmental benefits. 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 measures¹². The Consumer Council for Water notes that the discretionary, tighter (building) standard of 110 l/p/d is something that should be pursued, acknowledging that saving water is not the only driver of water efficiency¹³. Water efficiency has a positive effect on reducing energy bills, water bills of metered customers and carbon emissions thereby reducing environmental impact.

¹¹ [Water Ready A Report to Inform HM Government's Roadmap for Water Efficiency New Homes](#)

¹² [Advice on water efficient new homes for England, Waterwise, September 2018](#)

¹³ [Consultation on measures to reduce personal water use, A Defra consultation paper, Consumer Council for Water Response \(October 2019\)](#)

8) Conclusions

When considering whether an area meets the national policy and guidance for applying the optional standard for water efficiency the key criteria in the PPG relate to:

- evidence of need;
- consultation with other bodies; and
- whether consideration has been given to the impact on viability and housing supply.

Based on the policy review, the summarised evidence, the consultation undertaken and the cost of delivering the optional water efficiency standard, implementation of the optional standard is justified and consistent with national policy.

Although the area is not within an EA water stressed area for the purposes of compulsory metering, there are other primary sources of evidence which justify implementation not least an up-to-date Water Resource Management Plan, which has been the subject of detailed consultation, including with the EA.

Evidence to support the introduction of the optional standard is included within other pieces of evidence including the WRW evidence and the North West River Basin Management.

There is clear evidence that there is no cost to implementing the optional water efficiency standard.

It is important that the tighter water efficiency standard is adopted to ensure future water availability and supply in line with the WRMP, the WRW evidence, the need to improve water bodies, and the ambitions set out in the Environment Improvement Plan. In the face of a supply and demand baseline deficit in the SRZ and a regional and national ambition to reduce consumption to 110 l/p/d in all houses (existing and new build) by 2050, it would be illogical to construct new houses now which do not contribute to this ambition. The introduction of the policy will have economic, social and environmental benefits consistent with the purpose of the planning system to achieve sustainable development. Implementing the policy is consistent with the need to respond to the climate emergency and wholly consistent with Hyndburn Council's Climate Emergency declaration in July 2019. Importantly, application of this approach has added economic and societal benefit by reducing customer bills. There is compelling evidence to justify the implementation of the tighter optional water efficiency standard and therefore UUW recommends amendments to the policy so that the water efficiency requirements for new development are clear and unambiguous.

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