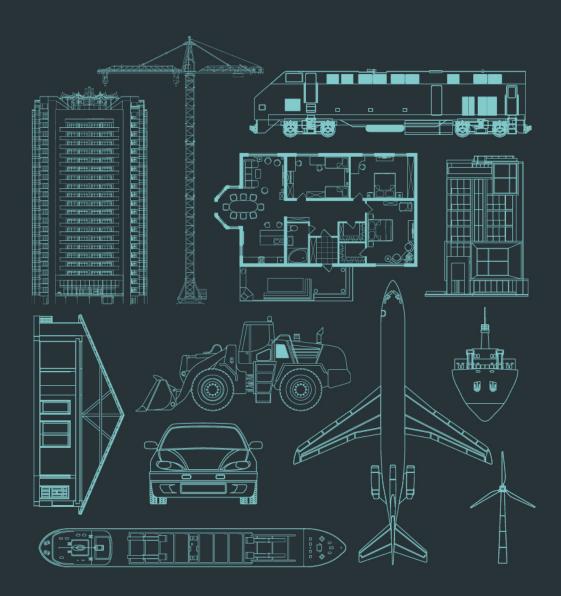
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This document has been written in line with the requirements of the RAPID Gate 2 Guidance and to comply with the regulatory process pursuant to United Utilities' statutory duties. The information presented relates to material or data which is still in the course of completion. Should the solution presented in this document be taken forward, United Utilities will be subject to the statutory duties pursuant to the necessary consenting process, including environmental assessment and consultation as required. This document should be read with those duties in mind.





Water Resources West

Water Transfers Consultation Report

Prepared for United Utilities - May 2022

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Introduction

Water Resources West is a group of abstractors, their representatives, and regulators from across the North West, Midlands and Wales. We are working together to ensure the sustainability of water resources across multiple sectors whilst considering wider societal needs and exploring opportunities for environmental improvements.

Established in 2019, our geography has a diverse population of around 17 million people. Sharing the region's aspirations for a thriving environment and growing economy, Water Resources West is developing a collaborative plan to address challenges, such as climate change and water demand, and to capitalise on opportunities for improved resilience, economic growth, and environmental improvement.

This report summarises the activity undertaken by Water Resources West, and the response received, in relation to its water transfers consultation. This consultation ran from November 2021 – January 2022 and follows on from the activity outlined in Water Resources West's previous Consultation Report issued in July 2021. This previous activity included the launch of Water Resources West to stakeholders as well as its Options and Environmental Destination consultations. Water Resources West is pleased with the engagement it has received from stakeholders and the ongoing discussions this has prompted within its online IdeaStream forum.

About Water Transfers

Climate change and population growth is putting increasing pressure on the UK's water resources. In less than 25 years a lack of water could limit growth, jobs and impact people's everyday lives.

Water Resources West is working to develop plans to meet these challenges such as reducing demand and tackling leakage, as well as developing new sources of water. Water transfers offers the potential to develop new sources of water whilst ensuring we protect the nature and wildlife that rely on the water systems which are the source of all our water supplies. Water Transfers operate by moving water between different areas of the country, taking water from areas where and when it is available and sharing it with areas experiencing a shortfall in supply.

An example of a water transfer project which has demonstrated early signs of success can be seen with the "Severn Thames Transfer" scheme where work is exploring the possibility of transferring surplus water from a number of sources in Wales, the North West and the Midlands to the South East of England. This would be achieved by releasing water into the River Severn and then transferring it on to the River Thames

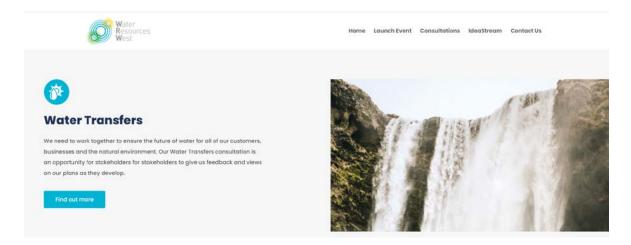
Both United Utilities and Severn Trent are supporting the Severn Thames Transfer by considering the use of new water sources. The aim is that these new sources will provide sufficient water to allow any excess to be transferred to other regions where water is in shorter supply. These new sources could also provide extra resilience when needed, in a way that does not damage the natural environment.

Our work throughout 2020-2025 will look at appropriate regulatory, technical, and environmental aspects of the transfer. If the results of these investigations are favourable it will allow the Severn Thames Transfer to be considered as an option in future regional and water company Water Resource Management Plans.

If the scheme is progressed, it could bring many benefits to the region, including investment in water infrastructure, improvements for nature and creating skilled jobs.

Consultation Activity

Water Resources West carried out its water transfers consultation between November 2021 and January 2022. The approach involved direct outreach to stakeholders and utilised Water Resources West's existing online platform, IdeaStream.



Direct Email

The water transfers consultation was launched via a direct email issued from the Water Resources West Director, Richard Blackwell. This email positioned the consultation to stakeholders as part of the development of Water Resources West's wider plan. The email signposted stakeholders to the IdeaStream website to find out more about water transfers, Water Resources West's initial thinking and encouraging people to provide their thoughts.

Dear Stakeholder,

As you may be aware, we are working through the final stages of pulling together a consultation version of our plan on which we will be sharing early next year. As part of that plan, we are constantly seeking views of our stakeholders and so today we are launching our water transfers consultation and want to invite feedback from our stakeholders via our <u>ideaStream</u> platform.

Water Resources West is a group of abstractors, their representatives, and their regulators. We are working together to ensure the future sustainability of water resources, considering wider societal needs, environmental improvement and working across sectors. Climate change and population growth is putting increasing pressure on the UK's water resources. In less than 25 years a lack of water could limit economic growth, jobs and impact people's everyday lives.

One of the potential solutions is to transfer water between different areas of the country, taking water from areas where and when it is available and sharing it with areas where it isn't. We would really appreciate feedback so that we can understand your thoughts on water transfers, ensuring whatever options we put forward in our final plans have been shaped by our stakeholders. We would request that all feedback is provided by close of business Wednesday 23 December 2021 when we will be closing the consultation. If you have any questions or require further information, please don't hesitate to get in touch.

More information about Water Transfers and our consultation can be found on IdeaStream.

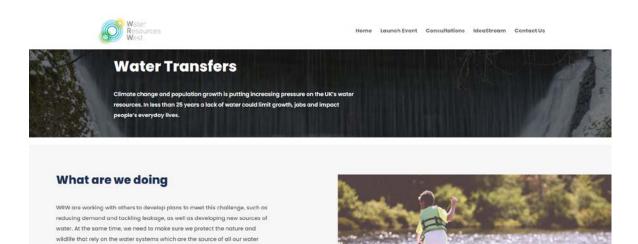
Kind regards,
Richard Blackwell

Director, Water Resources West

WaterResources West to use a consultation of the plans have been shaped by consultation. If you have any questions or require further information, please don't hesitate to get in touch.

IdeaStream

The main landing page of the IdeaStream site was updated to house a new section on water transfers. This linked through to a further page with more detail about water transfers and outlining the strategic resource options under consideration. Stakeholders were encouraged both via the direct email and on the website page to provide their views on water transfers by completing the online feedback form.



Online feedback form

But no one can solve this on their own – we need to work together to make sure that in the future there is enough water for everyone, and that what we do have is in the right place at the right time. One of the potential solutions is to transfer water between different areas of the country, taking water from areas

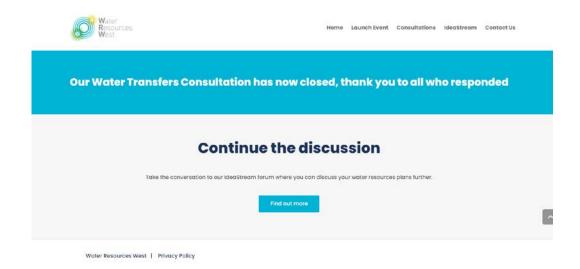
supplies.

The online feedback form was hosted on the IdeaStream water transfers section of the website. In total 23 stakeholders responded to the consultation questionnaire. This sought to grasp an understanding of what stakeholders viewed as key issues currently and what they identified as priorities for the future.

The questions that stakeholders were asked and their responses to these are summarised in the consultation feedback section of this report on page 6.

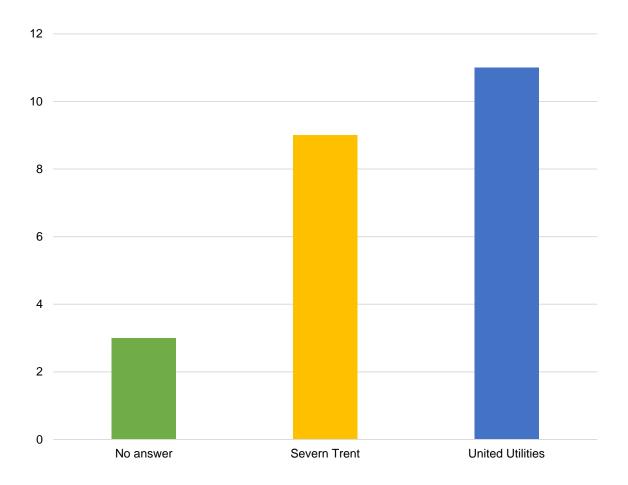
IdeaStream forum page

Following the closure of the consultation an IdeaStream forum has been launched. This encourages stakeholders to continue the discussion whilst Water Resources West develops and consults on its wider plan.

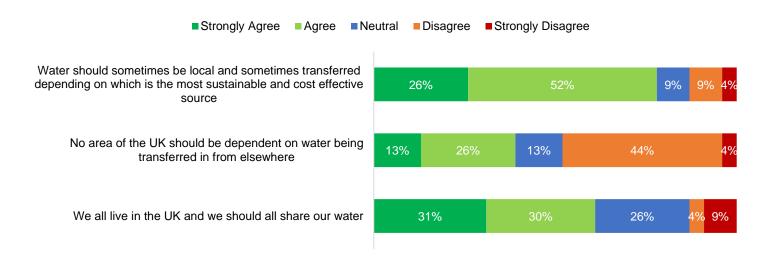


Consultation Feedback

1) Your water services supply company is



2) To what extent do you agree with the following statements?

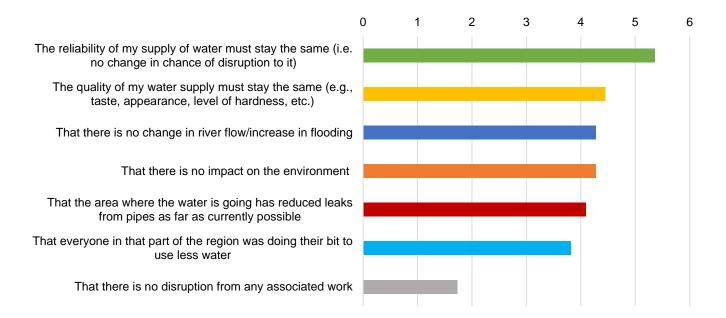


3) If water was being moved from your area to another part of the country where there is less available, what assurances would you need for this to be acceptable? Please rank them in importance with the top choice being most important.

A total of 12 respondents chose not to answer this question. Respondents were given seven options and were asked to rank them in the order of what they thought was most important. The options available to respondents is listed below:

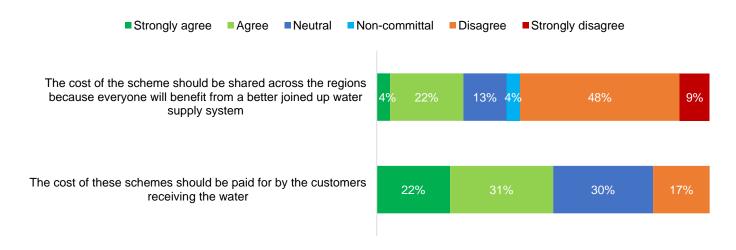
- 1. The reliability of my supply of water must stay the same (i.e., no change in chance of disruption to it)
- 2. That there is no change in river flow/increase in flooding
- 3. That there is no disruption from any associated work
- 4. That everyone in that part of the region was doing their bit to use less water
- 5. That there is no impact on the environment
- 6. The quality of my water supply must stay the same (e.g., taste, appearance, level of hardness etc.)
- 7. That the area where the water is going has reduced leaks from pipes as far as currently possible

Of the 11 who did answer this question, their responses are displayed as follows:

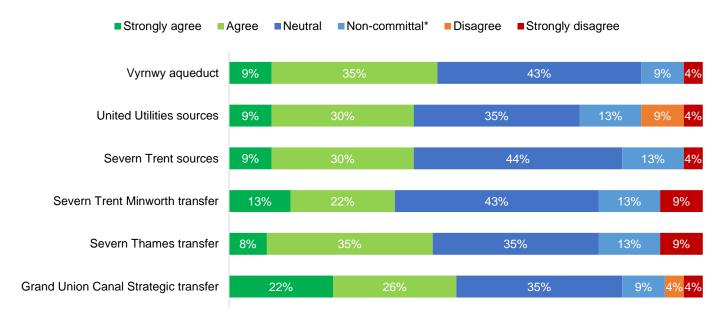


Option	1st	2nd	3rd	4th	5th	6th	7th	Score
1 🔺	5	2	0	1	2	1	0	5.36
6 🔺	3	3	0	0	1	3	1	4.45
2 🛦	0	2	4	3	0	1	1	4.27
5 🔺	3	1	1	1	2	2	1	4.27
7 🔺	0	1	3	4	2	1	0	4.09
4 🔺	0	2	2	1	4	2	0	3.81
3 🛦	0	0	1	1	0	1	8	1.72

4) To what extent do you agree with the following statements?



5) Of the schemes listed below could you rate how you feel about these being a good idea?



^{*}non-committal refers to respondents who either did not answer or provided an answer that could not be categorised withing the five options provided

6) If you strongly agree or disagree with any of the above, could you explain why?

Scheme	Comment
	The Grand Union Canal transfer utilises existing infrastructure which makes sense and ensures that the canal environment is resilient. The utilisation of a proportion treated wastewater from Severn Trent Minworth also seems to help meet requirements of getting rivers back to their natural state.
Grand Union Canal Strategic transfer	The use of the canal network seems to be a good idea. If it can be achieved, it would be nice to see the Victorian system being utilised in a modern way.
	Canal transfer rather than river transfer would seem to have fewer potential environmental impacts and if it helps support canals (and maybe divert some of their existing supplies elsewhere too) then there are wider benefits.
	Diverting treated effluent to support further abstraction seems better than trying to find a new "natural" source - it's making further use of water we've already taken out of the environment rather than taking more out.
Severn Thames transfer	The only really material scheme when compared to the projected shortfall in supply is the Severn Thames transfer. However, cost/benefit analysis later in the process may still mean that any of the schemes should be progressed. None should be discounted on the results of this consultation.
	Ensuring no impact on nature both in terms of flow in rivers and transference of INNS
Severn Trent Minworth transfer	I do not understand where the Minworth effluent goes at present and what the effects of using may be. At present Minworth STW discharges over 400 Ml/d of treated effluent to the River Tame in the River Trent catchment. Much of this water originates from Clywedog reservoir in Wales and abstractions in the Severn valley. Therefore, use of Minworth effluent water to supply the South East via the Grand Union Canal would be a strategic transfer from the North West to the South East.

The explanation of the implications for the North West is insufficiently articulated. There is also limited evidence of exporting areas receiving benefits from the transfer of this United Utilities sources significant asset. For example, Cumbria receives relatively little economic recompense for supplying swathes of water to the North West of England. Regardless of pressure on existing water resources in the North and West, the region has more rainfall and lower population density than the South East, so it makes strategic sense to transfer water from the North West to the South East. Vyrnwy reservoir yields a higher deployable output when used as a regulating reservoir in conjunction with the STT, compared to its deployable output when used in continuous direct supply to United Utilities. If Vyrnwy reservoir is used to regulate flows in the Severn, there would be some loss of deployable output for United Utilities (but less than the DO gain for the South East). Replacement sources for United Utilities are available in the North West at lower unit cost than equivalent sources in the South East. Multiple schemes Therefore, when the Severn to Thames aqueduct is in place, it will be more cost effective for the country as a whole to develop new United Utilities sources rather than new sources in Thames Water or Affinity Water supply areas. All sound logical and not requiring massive infrastructure investment. Water is a natural and limited resource. As such, populations must learn to live within acceptable limits of water supply so that sustainability is achieved without harming the environment and businesses that depend on a water supply. Governments should introduce and support investment into natural resource sustainability of water, including, where necessary,

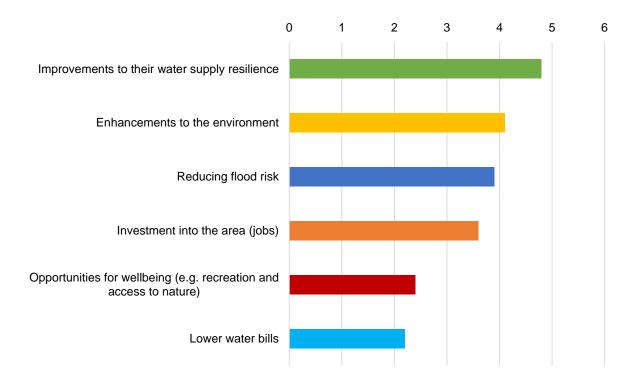
population relocation to areas to match the availability of natural resources. Workforces in sectors such as IT and finance could be relocated close to abundant water resources, thus aiding natural resource sustainability and the levelling up of society.

There has been no information regarding inevitable ecological impacts of transferring such large volumes of water. All river basins districts will suffer as a result of climate change and associated increased droughts, and draining water from specific areas to supply others will significantly impact the ecology of these areas. A full assessment of these impacts must be undertaken before any potential scheme. Different options, including working to increase storage and capacity in natural and man-made wetlands should be considered before options to transfer water at scale across the country.

7) What benefits would you like to see from transfers? Please rank them in importance with the top choice being most important

13 respondents chose not to answer this question. Respondents were given six options and were asked to rank them in the order of what they thought was most important. The options available to respondents is listed below:

- 1. Enhancements to the environment
- 2. Reducing flood risk
- 3. Lower water bills
- 4. Improvements to their water supply resilience
- 5. Investment into the area (jobs)
- 6. Opportunities for wellbeing (e.g., recreation and access to nature)



Option	1st	2nd	3rd	4th	5th	6th	Score
4 🔺	4	2	3	0	1	0	4.8
1 🔺	3	1	1	4	1	0	4.1
2 🛦	0	5	2	1	1	1	3.9
5 🔺	2	1	3	1	1	2	3.6
6 A	0	1	0	4	2	3	2.4
3 🛕	1	0	1	0	4	4	2.2

8) We are keen to ensure that supply resilience and the environment are protected in the areas from which water transfers are sourced. What are your thoughts on that?

13 respondents agreed that supply resilience and the environment should be protected in the areas from which water transfers are sourced. A number of these respondents, while agreeing with this statement also offered other areas of importance/consideration. Listed below is a categorised breakdown of the responses.

Comment	Frequency
There needs to be greater economic benefit to the exporting communities	1
Supply and environment should be protected across the country as a whole, regardless of whether new sources are located in donor regions or recipient regions.	4
Ideally a net environmental gain as "compensation" for the transfer out of the area/catchment.	1
It's critical that the needs of consumers and abstracting businesses in areas where transfers are sourced are protected.	4
Must ensure that there is still sufficient water available for all types and uses in agriculture	1
Increasing capacity where water is needed is key	2
Water transfer should only be considered as a last option	3
Need more information to comment	З

Answer themes:



9) It is important that there are benefits to the source areas, so that transfer options can be selected as part of best value plans for those areas. Do you have any thoughts on what those benefits may be in your area?

Respondents were asked how water transfers may benefit their area. Listed below is a categorised breakdown of their responses.

Comment	Quantity
Source areas should receive investment / financial support	5
Environmental impact should be minimal / Environmental net gain needed / Sustainability should be prioritised	5
Wellness provision should be enhanced	2
Local water supply should be enhanced alongside water transfers infrastructure	2
Improvement to flood mitigation measures	2
Farmers should be financially supported	1

Listed below is a selection of the comments made by stakeholders:

Comment

Improvements to wellness e.g., nature walks, water sports. Better local supply of water. Less flooding locally.

Area ought to benefit economically with investment in high quality jobs etc. Investment in recreation and well-being opportunities and environmental enhancement

Provision of environmental net gain in the source area/catchment to "compensate" for the loss of a natural resource. Ideally the net gain should be provided in the catchment from which water is being taken or otherwise in a catchment that has been negatively affected by water resources (e.g., due to weirs/dams, abstraction pressure).

There are multiple benefits from utilising the existing canal network. The waterway environment would become more resilient offering greater access to all users (greater social and wellbeing benefits). Having a better connected network must provide benefits to United Utilities and their customers.

Farmers as land managers should be paid appropriately for the public goods they provide through the supply of clean and plentiful water. Farming businesses can play a role in improved water security, and infrastructure investment would help incentivise that. For example rainwater harvest and small-scale storage and improved water quality for example yard and track improvements and farm infrastructure that improves water quality. Potential across catchments should be exploited, so that public and private funding (such as STEPS scheme that STW operate). It type of investment can help deliver more sustainable water supplies, alongside long term drought resilience, which is particularly pertinent in the livestock sector. These areas are sometimes ineligible for current STEPS funding as the focus has been on water quality.

10) Do you have any thoughts on how the best use is made of the options to meet the needs of both source and recipient areas?

Nine of the respondents chose not to answer this question. Two respondents felt they needed more information to formulate a response. The responses from the other 14 are summarised below:

Answer

Create and negotiate an agreement outlining the expectations of and benefits to each of the parties

Water should be treated as a commodity and its transfer should benefit the regions and populations from which it was sourced

Flexibility of options is key so the supply can continue to be provided to areas to reduce carbon and cost impacts of using alternative water sources which are likely to require more pumping and treatment.

Public water supply companies should ensure that their transfer activities do not disadvantage non-PWS abstractors (i.e., factoring challenges of climate change, drought and an increasing population)

Ensure that water is transferred continually (at a lower capacity) so that the risk of system failure is reduced when the water is required

Transfer any excess water to other areas, rather than alternatives (i.e., transferring into the river network)

Make on farm storage of water easer to complete

Protect Source areas first

Increase understanding of water and catchment so people are aware of the difficulties in transference to reduce waste by people

Transfer utilising the river and canal networks

The financial cost is important, but future resilience and sustainability are essential rather than desirable.

The best option is the one that meets recipient needs and protects the source areas for the lowest overall impact

Answer themes:



11) In your area can you see any environment or wellbeing benefits that could be realised from any of these options?

10 of the respondents chose not to answer this question. The responses from the other 13 are summarised below:

Response	Area
Reducing the risk of flooding and protecting the water supply	Cumbria
Any policy that improves farm income and sustainability will also support wellbeing	Wales
If sources need developing, there is a great opportunity for environmental net gain to be delivered (which provides wellbeing benefits and recreational benefits)	North West
We must be mindful of the impact on land managing businesses in source areas and ensure that they are treated fairly	Shropshire
Having a more resilient canal system because of the transfer can only be a good thing	Cheshire
The planning system and attitude of the Environment Agency needs to change	Worcestershire
Natural Flood Resilience measures in source areas in association with public amenity spaces - SUDS principles	Lytham
Peat restoration, re-alignment of rivers and re-instating flood plains	Shropshire
Nature based solutions, increased wetland habitat, increased wetland connectivity - all come with increased wellbeing benefits	Cheshire
Any improvement to water ways and the wider environment are beneficial	Coventry
If we tried to capture more of the rainwater that fell for our own use to replace Vyrnwy water, that might have knock-on benefits (e.g., by creating new reservoir ponds)	The Wirral

land managing business appropriate management payment new reservoir pond wetlands connectivity water way great opportunities us source work great opportunities us source work area of wales suds principles voluntary basis wellbeing wirral flood resilience suds principles woluntary basis wellbeing wirral flood resilience measures alignment of river environmental benefits farm income full consultation source area affected farming business water supplies based solutions public agood source zone source zone source zone land managing business wetlands pousiness environs wetlands connectivity water way good things water resources environmental benefits environmental benefits recreational benefits environment agency environment agency environmental enhancement

12) Any other thoughts on water transfers?

Eight of the respondents chose not to answer this question. One respondent directed towards a report conducted on behalf of their group which has been noted but not reflected in the summary below due to the length of the comment. The responses from the other 15 are summarised below:

Response

Can flood water be captured to use when there is less water around?

A better framework needs to be developed and the terms of agreement need to be shorter than current arrangements. The schemes delivered are predominantly protecting supply rather than benefitting the county fiscally.

There is a desperate need for awareness and behaviour change to reduce water consumption and to understand the issues

Early engagement on environmental net gain opportunities is important and there could be benefits of working alongside other infrastructure developers

We need to develop a system that considers the abstraction needs of food producing areas between these points

It is often forgotten that there are several public water supply transfers in the UK already in existence

Inter-regional transfer is part of the solution going forward

At this stage, there is a greater need for a national focus over a regional focus

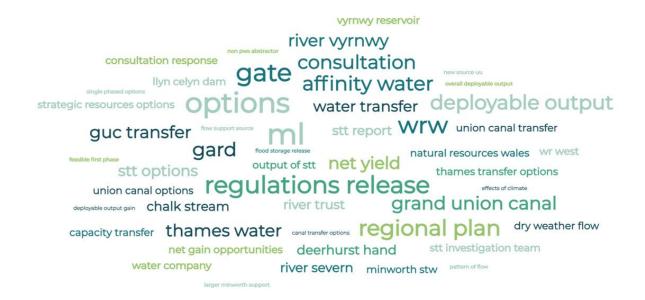
We should start making better use of what the infrastructure we have as well as improve our capacity and capability ASAP

On a national basis, bring Kielder into the supply chain

This will create further strain on the natural environment

Great to hear that this option is being explored

Water transfer schemes seem to be the most sensible way of providing equity to all in the UK considering the future climate scenario outputs



Next steps

Water Resources West would like to thank all stakeholders who took the time to provide their feedback via the transfers consultation. The project team are continuing to review and further explore the ideas, suggestions and responses summarised in this report. This consultation activity is also being fed into the development of our wider water resourcing plan for the region.

Water Resources West anticipates publication of its preferred plan in August 2022. We look forward to continuing our engagement with stakeholders to produce a regional plan that delivers multiple benefits to our region. Water Resources West recognise the importance of continued cooperation with stakeholders in order to achieve the aspirations and targets set out by the project.