



# Emerging plan for consultation

## Appendix 8: Stakeholder engagement and collaboration

January 2022

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We recognise that for WReN to create a truly regional plan we need to engage, work collaboratively and actively involve all of those who have an interest in water resources in the region. Alongside our customer engagement activities detailed in Appendix 7), we have increasingly extended our engagement activities with regulators and other stakeholders as we move through the regional plan development including working together with other sectors, regional groups and water companies. An overview is included below.

### WReN Stakeholder Steering Group (WReN SSG)

The Water Resources National Framework (WRNF) outlines expectations for engagement, noting that “Water Resources North should engage the power generation sector, industry and the agricultural sector”. Representatives from these key sectors sit on our Stakeholder Steering Group (Energy UK, Canal & Rivers Trust, and Natural Farmers Union respectively), alongside representatives from Yorkshire and North East Catchment Groups, the Environment Agency, and Water Companies. Royal Society for the Protection for Birds and Natural England have a standing invite but have not yet been able to attend.

The Stakeholder Steering Group meets bi-monthly and has an advisory role to:

1. provide direction and input into the development of methodologies, options and scenarios;
2. inform and contribute to the development of WReN’s environmental destination; and
3. facilitate spin off discussions where needed into specific sector or catchment issues
4. better understand likely drivers of future water use in other sectors

For example, Energy UK (EUK) recently released a Joint Environment Programme (JEP) reports and an overview of the findings was presented at the November 2021 Stakeholder Steering Group meeting. This provided further insight into the likely energy sector water demand trajectory over a number of possible future scenarios and the high degree of uncertainty when forecasting future water demand by the energy sector.

### Other Sector engagement

Alongside the regular engagement with other sectors through WReN SSG, we have been engaging and working with other sectors via direct sectoral dialogue, where appropriate, to understand and identify potential needs, from which opportunities and solutions can be explored. **Table A8.1** below provides examples of key sector specific engagement that WReN has undertaken and the key messages from the various meetings that have taken place.



Table A8.1 Overview of sector specific engagement

| Sector             | Organisations   | Key messages   |
|--------------------|---|--|
| <b>Agriculture</b> | National Farmers Union (NFU)<br>Combined Land Authority (CLA) | <ul style="list-style-type: none"> <li>• Unknowns around how activities will change in the future and the effect this will have on water usage. For example, agricultural patterns may be subject to change due to emerging new agri-support schemes such as Environmental Land Management schemes (ELMs, including the new Sustainable Farming Initiative).</li> <li>• Climate change may alter land use patterns and crop types, and consequently water demand across the region.</li> <li>• Previously unregulated agricultural abstractions within the North East (Berwick area) which can pose challenges in order to accurately capture the current and future agricultural demands of this region. These will be licensed going forwards following changes to the abstraction licensing system. WReN is supporting discussions on this with the Environment Agency and NFU as required.</li> <li>• Historic minewaters impacting on groundwater quality (notably in Hartlepool) and agricultural borehole abstractions.</li> <li>• Diversification of businesses following Brexit, amongst other reasons, resulting in other land use activities with greater demands for water e.g., leisure and golf courses.</li> <li>• Uncertainty around future trading patterns post-Brexit which could impact on choices around food production (import pressures, export opportunities) and cause changes in the labour market (for example reduced migration from EU).</li> <li>• Some sub-sectors are moving from their own raw water abstractions to public water supply due to water quality issues.</li> <li>• Flood risk is a key area of concern for the agricultural sector and the pattern on agriculture may change due to areas prone to flood risk becoming unattractive to contractors.</li> </ul> |
| <b>Power</b>       | Drax<br>Energy UK<br>RWE<br>Coal Authority<br>Uniper.         | <ul style="list-style-type: none"> <li>• Lack of centralised planning for water use within energy sector.</li> <li>• Highly competitive nature of the industry where developers are bound by competition law makes communication and engagement often difficult.</li> <li>• The need to have sufficient water available as and when needed and in the correct location otherwise there is a risk of blackouts as well as significant penalties for companies. This isn't something companies have had concerns about in the past as water has largely been readily available but there is an understanding this could change in the future.</li> <li>• National and international policies, such as 'net zero carbon' and the development of new technologies with different water demands will affect the amount of water needed for energy generation in the future.</li> <li>• Energy transformation to net zero is likely to result in higher freshwater demands from power sector than in recent history at some locations.</li> <li>• Considerable uncertainty in future energy sector potential water need, at both national and WReN regional and sub-regional geographic scale.</li> </ul>  |
| <b>Other</b>       | Canal & Rivers Trust (CRT)                                    | <ul style="list-style-type: none"> <li>• Abstractions were previously exempt from requiring licenses due to their status as a navigation authority. However, from 2021 there is a requirement for surface water sources to be licensed and the process of licensing these is underway and should be complete at the end of 2022.</li> <li>• Based on the information above, there are a number of abstractions that are not included in the National Framework abstraction dataset and therefore omitted from the final figures. Further engagement is needed to understand how best to incorporate these into our current view of other sector abstractions.</li> </ul>   |

| Sector             | Organisations   | Key messages   |
|--------------------|---|--|
|                    |   | <ul style="list-style-type: none"> <li>Growth forecasts proposed in National Framework is the best information available at present. However, CRT are currently updating their modelling to better understand their future water resource requirements and the outcome will be made available when complete.</li> </ul>  |
| <b>Environment</b> | Various Rivers Trusts / CaBA<br>Historic England<br>Natural England<br>RSPB<br>Local environment groups | <ul style="list-style-type: none"> <li>Recognising that the emphasis may be different across catchments as well as levels of environmental ambition.</li> <li>Whether the region should be holding water in the region back as an economic regeneration driver rather than exporting it.</li> <li>Keen to utilise various catchment partnership groups to disseminate information and support wider engagement to other local stakeholders.</li> <li>Specific consultation has been carried out with Historic England and Natural England as part of the Environmental Assessment workstream.</li> </ul> |

In addition to the above, we have held specific discussions with the energy sector, seeking to further understand the development of hydrogen and carbon capture and storage plants in clusters on the Humber and Teesside, as well as potential inland demands.

## Regulator engagement

### Environment Agency

The Environment Agency are key consultees and as well as attending the WReN SSG, we have a dedicated Environment Agency-WReN meeting in the alternate months to the WReN SSG meetings to facilitate discussion and to obtain buy-in to specific technical methodologies. We received feedback on our August 2021 reconciliation input data and documentation (letter dated 24 September 2021) and have reviewed and updated our emerging plan in the light of these comments. For example, we have updated the main report to provide a clearer step by step narrative and have included a glossary to provide more clarity on certain terms.

Additionally, we will continue to engage with the Environment Agency alongside other regulators and interested stakeholders through a number of further groups and forums and during the formal environmental appraisal consultation process. We issued our Environmental Assessment Scoping Report to statutory and stakeholder consultees for consultation on 20 April 2021. A five-week consultation period was provided in line with SEA Regulation 12(5), running to 25 May 2021. Following consultation, the comments received were reviewed and amendments to the scope and/or approach have been made where relevant. We have set out our responses to the comments received in a table which is provided as supporting information to this Appendix. Interim environmental reports containing option-level assessment outcomes are being issued in January 2022 for regulatory consultation alongside our emerging Regional Plan. Furthermore, the draft Regional Plan will be accompanied by the associated environmental assessment reports in August 2022

### Ofwat

Our primary engagement with Ofwat has been through national meetings such as the Senior Steering Group and Regional Co-ordination Group (which are described in more detail below). However, we also held a specific meeting with Ofwat in early 2021 to update the water industry's economic regulator on the emerging position for WReN following publication of our February 2021 Revised Position Statement. This helped to set the context for our chosen approach to regional planning as a methodology that is proportionate to the issues and risks that we face specifically within our region. In addition, the water companies within Water Resources North have partnered with Ofwat and Water Resources East to commission a study into developing a commercial and legal model for multi-sector reservoir systems, recognising that whilst multi-sector opportunities within our region are currently limited (in contrast to WRE), there is still merit in looking to develop a working model that could be applied to multi-sector schemes in the future.

### RAPID

Outside regular meetings such as the national Senior Steering Group and Regional Co-ordination Group (described in more detail below), our direct engagement with RAPID has been limited to date, as RAPID's primary role relates

to the gated process for Strategic Regional Options (SROs) and no SROs were identified within the Water Resources North region at PR19. We have therefore retained a relatively light touch, 'watching brief' with regards to RAPID's programme and related activity such as the All Company Working Group (ACWG). However, in December 2021 with Severn Trent Water, Yorkshire Water submitted a business case paper to RAPID for the inclusion of a new SRO – the Upper Derwent Valley Reservoir Expansion (UDVRE) scheme. Should this scheme be accepted into the gated process, we anticipate that WReN's direct engagement with RAPID will increase in response and as we work towards future gates for the UDVRE SRO.

### Drinking Water Inspectorate (DWI)

We will also engage with the Drinking Water Inspectorate (DWI) where appropriate, for example regarding prospective transfers should these have a high likelihood of being included in the preferred plan. In addition, potential drinking water quality impacts will be taken into account in our assessment of water trading impacts.

### Joint regulatory engagement

In January and December 2021, we held meetings between senior representatives from Ofwat, Environment Agency, DWI RAPID, and Directors from WReN water companies. We anticipate that such meetings will be repeated at appropriate points through our plan development programme.

## Regional groups

WReN participates in both local and national discussions, groups and forums with other water companies and regional representatives to ensure that approaches are compatible and where appropriate aligned. WReN has fully participated in national discussions through Regional Co-ordination Group (RCG), National Stakeholder Steering Group (SSG) and other relevant groups (such as modelling and environmental advisory groups, TAG, etc.) to ensure that approaches are compatible. We have also been in active dialogue with neighbouring regions on the development of transfer options.

### Regional Co-ordination Group (RCG)

WReN participate in a monthly Regional Coordination Group (RCG) forum with other regional group representatives and regulators. These take place monthly and have representatives from EA, Ofwat, DWI, RAPID and the regional water groups. The meetings have been fundamental in understanding different regional challenges and requirements and in facilitating the alignment of regional plan development processes where appropriate.

### RCG regional alignment working group

This is a sub-group of the RCG which was setup to work through the detail of the regional plan submission (e.g., reporting needs, planning inputs) and the reconciliation process between regional plans at national level. It comprises regional group leads and representatives, as well as regulators (particularly the EA and NRW), and reports back into the main RCG. For WReN, we have in particular contributed to the discussions in the group around the approach to undertaking reconciliation; the form of the submission content for August 2021 reconciliation data and January 2022 emerging plans, looking ahead to the draft / final plan submissions and to feedback and assist the EA on defining the plan tables.

### Region specific engagement

For WReN, the key inter-regional planning consideration arising from the reconciliation process is the future of the existing Severn Trent Water to Yorkshire Water transfer from the Derbyshire Derwent valley reservoir group. Reduction or loss of this import has significant bearing on our short- medium term investment needs and we have been working together with Severn Trent Water and Water Resources West to understand the cross regional needs and potential solutions; this has resulted in the December 2021 submission to RAPID proposing the Upper Derwent Valley Reservoir Expansion (UDVRE) scheme as a new SRO in the gated process.

## Wider engagement

We have undertaken further engagement with the Environment Agency, Natural England and other external third parties via a SurveyMonkey to continue to build local view of environmental destination in key catchments. Further information is detailed in the main document and Appendix 6.

We will also undertake wider and specific engagement during informal consultation of the emerging plan including a national level launch and regional level surveys and consultation forums.

Our website at [www.waterresourcesnorth.org](http://www.waterresourcesnorth.org) will be also used to share the key messages, and general updates throughout the remainder of the planning period to keep stakeholders informed.

# How to find out more

More information about Water Resources North, including our publications and how you can contact us, is available on our website, [www.waterresourcesnorth.org](http://www.waterresourcesnorth.org).

