



Inter-regional reconciliation 3: Commonality of approaches summary

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This summary provides a high-level overview of the approach being taken by the regional planning groups towards developing their revised Regional Plans (following consultation on the draft plans). The contents reflect the position at the point of undertaking the third inter-regional reconciliation process. As such, whilst it is indicative of the expected position in the revised draft or final plans, this cannot be categorically stated as the plans are still subject to relevant Board signoffs at regional level, and of underpinning WRMPs.

Plan component	Regional group position on commonality
<p>Environmental destination (ED) – England^ (Public water supply)</p> <p><small>^ For WRW the environmental destination and licence capping scenarios for Wales do not have a material influence on inter-regional alignment.</small></p>	<p>As a minimum, all regions are now using the latest best estimate of BAU+ (developed with local regulatory engagement applied), with the latest position on licence capping included. This represents a minimum, but stretching level of environmental protection advocated in the guidance. Previously, one region was still using a BAU view of environmental destination, which offered a lower level of environmental protection.</p> <p>The WRSE adaptive plan branches used for alignment with the baseline of other regions, denoted high environmental destination, is aligned to BAU+.</p>
<p>Climate change</p>	<p>Most regions have used the intermediate scenario of climate change (RCP 6.0).</p> <p>For WRSE, the adaptive plan branch used for alignment with other regions uses the more severe climate change scenario (RCP8.5). This is in line with their regional plan development processes, as is due to a mapping of climate impacts to the environment destination scenario in their modelling process (i.e. BAU+ is considered high impact and similar to the enhanced scenario). The impact of using this scenario is stated as marginal, as demand growth and environmental destination scenarios are the dominant scenario influences for WRSE decisions.</p>
<p>Drought resilience position</p>	<p>All regions are planning to achieve 1 in 500-year resilience level for Emergency Drought Orders (Level 4 restrictions) by 2040.</p>
<p>Demand management policy</p>	<p>All regions are planning to achieve the Dry Year Annual Average (DYAA) 110 litres/head/day per capita consumption (PCC) government policy objective by 2050. All regions are now using a broadly common basis of PCC in this regard although delivery of these outcomes is subject to the benefits of government policy interventions also being realised in a timely manner.</p> <p>Most regions are also currently planning to meet the interim water performance targets for leakage and PCC set out in the Environmental Improvement Plan (with decisions to be confirmed in some cases).</p> <p>Most regions are aiming to reduce leakage by 50% from 2017/18 levels by 2050, but with some company level variations on leakage depending on starting position. WRE is aiming to reduce leakage by approximately 40% by 2050 from 2017/18 levels.</p>
<p>Working together during reconciliation - Scheme selection</p>	<p>The Reconciliation 3 process has been initiated by the regional planning groups themselves, including commissioning Hydro-Logic's support to the process. Regions have worked together to determine an aligned reconciliation position through a series of bi-lateral meetings and/or email exchanges. This joint working has not been limited solely to the formal Reconciliation 3 meetings, with other interactions taking place in support of / surrounding the process. Regions have also jointly considered relevant consultation feedback, and in many cases (such as the WRE interactions with WRW, WReN and WRSE), these have identified new activities to consider either in this, or future planning rounds to refine options and/or</p>

plans. The regions have all reviewed and provided input to the Reconciliation 3 summary report authored by Hydro-Logic.

By far the greatest focus required in Reconciliation 3 has been upon the WRSE and WRW inter-regional transfers, given their complexity and importance in aligning the regional plan builds. The plan development timeline makes it particularly challenging to define a suitable preferred plan position for WRW's plan in time whilst WRSE's own plan is still being developed (both are updating plans broadly concurrently). This situation is inherent in the nature of the regulatory planning process and timetable. As a result of this, both regions have worked closely together, agreeing an adaptive scenario approach in reconciliation to manage the potential for future change as far as possible, and working to agree a common position statement on the need to further develop the Severn Thames Transfer (STT).

**Working together -
Environmental
assessments**

Regional plans are expected to deliver environmental improvement. To do this, requires significant investment in new supply options, each of which can pose its own risk to the environment in construction and / or operation. Environmental assessment helps our plan-making process by removing options with very significant risks and, for the remainder, seeking to avoid effects, where possible, and reduce remaining impacts. At the strategic plan-making scale, however, the details available - both option and environment related - mean that our environmental assessments processes are not always able to rule out such environmental risks. Where there are concerns with existing abstractions they are being addressed by the WINEP process and included in plans.

This challenge becomes more difficult where more than one Region will seek to adopt supply options that have the potential to pose a combined risk (e.g downstream within the same river basin, within an estuary, or in marine waters). These cumulative effects and the in-combination risks, related to National Site Network habitat sites, require further attention and collaboration in finalising the Regional plans. If these risks are not managed effectively and collectively, they could ultimately pose a risk to the soundness of the Plans.

All regions are undertaking level 1 Habitats Regulations Assessment (HRA, where necessary), any Likely Significant Effects (LSE) have had level 2 Appropriate Assessments undertaken and an in combination regional assessments of the options are being completed. Regional plan environmental assessment teams have been discussing this issue collectively and with regulators for some time, but there are no easy solutions. A general agreement was reached, between the regions and water companies in attendance, on the approach to progressing such assessments during an inter-regional meeting on 19 April 2023. A key conclusion, recognising the timetable and data availability, was that in combination assessment would be done for each plan using 2022 published data from draft plans for the other regions/companies.