



**Draft Regional Plan**  
*for consultation*

**Appendix 8: Stakeholder  
engagement and collaboration**

**November 2022**



**WReN**

Water Resources North

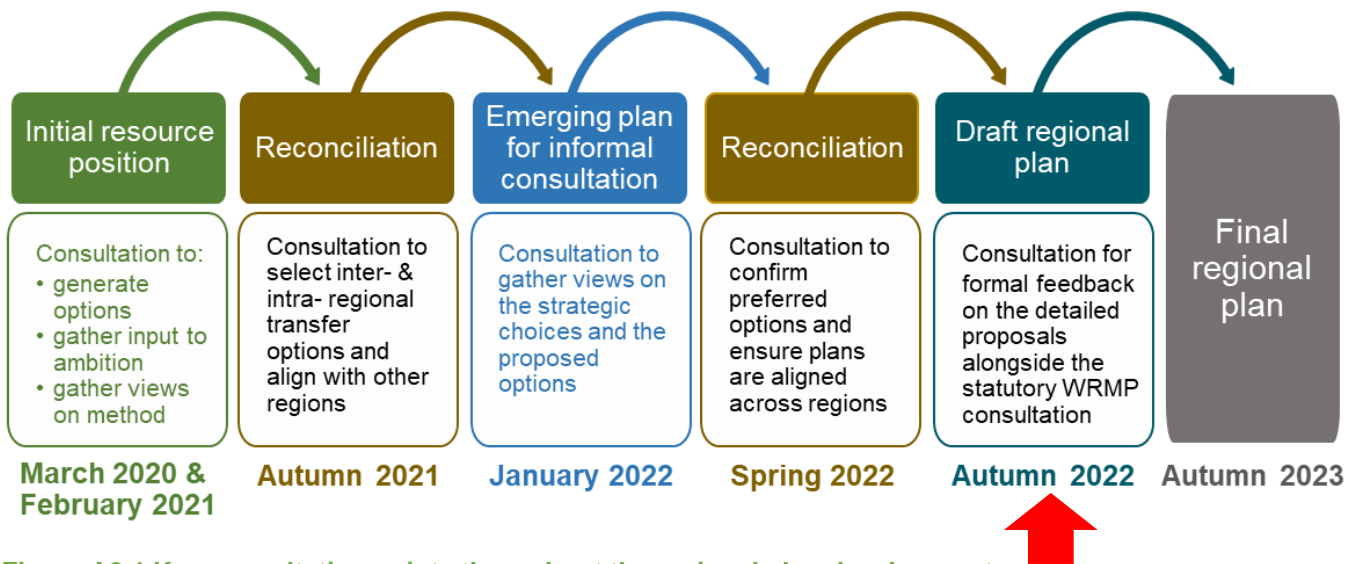


# Appendix 8. Stakeholder engagement and collaboration

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 have moved through the regional plan development process including working together with other sectors, regional groups and water companies. An overview is included below.

## Key feedback and consultation points

There has been an on-going cycle of feedback, consultation and update with regulators and stakeholders to shape the regional plan including at key stages of the planning process which are shown in **Figure A8.1**. Feedback and consultation at each stage of the process has been used to help develop the output for the next key stage.

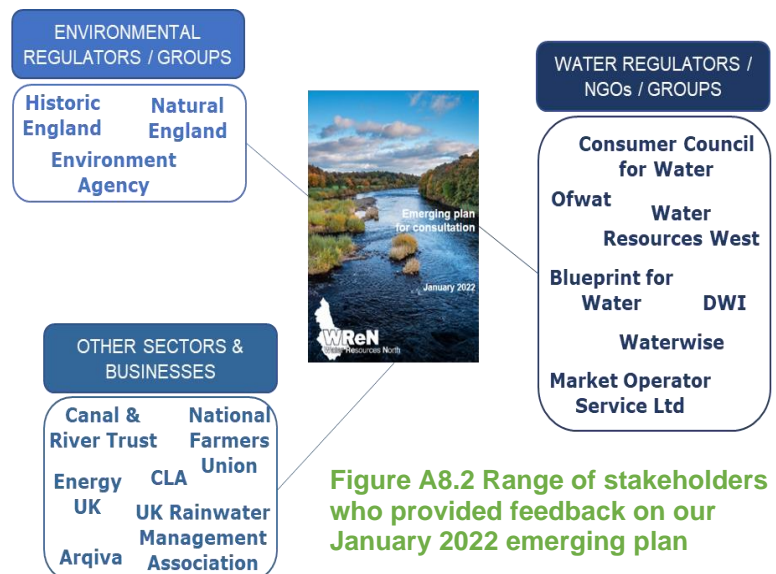


**Figure A8.1** Key consultation points throughout the regional plan development

We received responses on our ‘January 2022 emerging plan’ from a range of stakeholders (Figure A8.2) including regulators, water retailers, industry consultants and suppliers, energy sector, and landowner associations such as National Farmers Union and Country Land and Business Association (CLA)

Initial feedback was largely through a range of written communication (on-line survey, free-format emails, letters and reports). We also held a Webinar on 8<sup>th</sup> February 2022 which was open to all stakeholders to discuss the emerging plan in more detail and provide a direct question and answer session.

Additionally, we had a number of specific meetings with regulators and other sectors (including with Ofwat and the Environment Agency) to review the feedback and determine the most appropriate actions moving forward.



**Figure A8.2** Range of stakeholders who provided feedback on our January 2022 emerging plan

The key themes of the stakeholder feedback on the January 2022 emerging plan (*along with a summary of action taken*) included:

- uncertainty around loss of Severn Trent Water transfer
  - ➔ *we have taken an adaptive path approach in relation to this option to allow for the future uncertainty and have considered two pathways in the plan with decision points; one where the transfer is maintained, and one where the transfer is stopped*
- options identification, appraisal and selection of best value / adaptive plans
  - ➔ *at our regular meetings with our regulators and other sector stakeholders, we have had a number of focussed presentations / discussions to create better visibility of, and further information on, the range of options considered and the journey to selection of best value adaptive plan*
  - ➔ *we have provided additional detail on the ‘twin-track’ approach to options identification in the plan (Section 5.3) and the range of both supply and demand options considered*
  - ➔ *we have undertaken further work to better evidence the choices we have made and presented this in the plan (Section 6) including working with regulators and other regional groups to demonstrate choices around inter regional transfers to and from WReN*
  - ➔ *a clear process is set-out in the plan on the decision-making process for options appraisal, adaptive planning and best value including scenario development and stress testing and the sensitivity analysis of 1 in 500 year drought resilience, per capita consumption and leakage aspirations*
  - ➔ *we have presented a best value (adaptive) plan with alternative pathways that can be taken according to the outcome of key future uncertainties, providing us with flexibility to divert to an alternative future at certain trigger / decision-making points*
- Environmental destination and future long-term view
  - ➔ *We have continued the dialogue with other sectors and regulators to gather additional information and prioritise needs for further investigation.*
  - ➔ *We have worked with Ofwat, the EA and other regional groups (e.g. via the Regional Co-ordination Group), to develop a set of common reference scenarios for further sensitivity testing and consideration of abstraction changes.*
  - ➔ *Our adaptive plan pathways allow for future uncertainties around Environmental Destination are elements of our adaptive plan pathways as informed by the common reference scenarios*
- representation from non-public water supply abstractors
  - ➔ *We have continued to work with non-PWS abstractors including setting-up sector specific sub-groups with priority sectors (energy, agriculture and navigation) to better understand their needs and challenges (detailed further later in this Appendix)*

## 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, SSE Energy Services, Canal & Rivers Trust, and National Farmers Union), alongside representatives from Yorkshire and North East Rivers Trusts, the Environment Agency, and Ofwat. 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:

- ➔ provide direction and input into the development of methodologies, options and scenarios
- ➔ better understand likely drivers of future water use in other sectors
- ➔ inform and contribute to the development of WReN's environmental destination
- ➔ facilitate spin off discussions where needed into specific sector or catchment needs and challenges

### Example

Energy UK recently released a Joint Environment Programme (JEP) report 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.

Since then, we have set-up a WReN energy specific sector group to further understand their current and future water needs and the challenges they face. They have supported in the production of this plan to ensure it represents the view of the sector (see Table 5-2 in the main report for further details).

## Other Sector engagement

Alongside 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. Feedback on the January 2022 widely acknowledged that the plan demonstrated collaboration across sectors and non-public water supply and this was very much welcomed. However, it was also recognised that further work was required to understand non-PWS water resources needs and to integrate them into the regional planning process. Since the emerging plan we have set-up sector specific sub-groups with priority sectors (energy, agriculture and navigation). A terms-of-reference was developed with the key purpose of the groups being to:

- understand the current and future water needs of their sector in the region and to provide a view on:
  - the national framework for water resources (WRNF) demand forecast data
  - environmental destination abstraction reduction scenario data
  - availability of any additional or more recent data
  - data gaps
- understand the challenges individual sectors are facing
- help to shape the narrative for the draft Regional Plan to represent the sector
- work with the WReN SSG to refine the approach to integrating other sectors into the regional planning process and facilitate the creation of opportunities for joint solutions moving forwards to the next planning cycle

**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 including those associated with the specific energy, agriculture and navigation sub-groups.

Table A8.1 Overview of sector specific engagement

Sector & [Organisations]	Key messages
<p><b>Agriculture National</b></p> <p>[Farmers Union (NFU) Combined Land Authority (CLA)]</p>	<p><b>Current water needs</b></p> <ul style="list-style-type: none"> <li>The WRNF data is based on a baseline which is outdated and does not reflect the current water usage for the sector or the recent drought situations.</li> <li>Concerns by the sector over authorities using this baseline data to make decisions on licence capping.</li> <li>There are a number of agricultural abstractions in the North East (Berwick area) which have previously been unregulated and are not represented in the WRNF data. This poses challenges when attempting to accurately capture agricultural demands of this region. Any changes to the abstraction licensing system will be incorporated into future analysis as part of the regional planning process if data are made available. WReN is supporting discussions on this with the Environment Agency and NFU as required.</li> </ul> <p><b>Future water requirements</b></p> <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>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>Climate change may alter land use patterns and crop types, and consequently water demand across the region.</li> <li>More analysis required from WReN, with support from Environment Agency, on the implications of the environmental destination scenarios and what impacts these may have on individual businesses.</li> </ul> <p><b>Environmental considerations</b></p> <ul style="list-style-type: none"> <li>Some sub-sectors are moving from their own raw water abstractions to public water supply due to water quality issues (e.g. historic minewaters impacting on groundwater quality (notably in Hartlepool) and agricultural borehole abstractions))</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>
<p><b>Power (energy)</b></p> <p>[Energy UK, Joint Environment Programme (JEP), Drax, RWE, Coal Authority, Uniper.]</p>	<p><b>Overview of sector</b></p> <ul style="list-style-type: none"> <li>The Power sector is fundamentally different from the water sector in that it is not subject to the economic regulatory oversight that Ofwat provides in PWS. There are no sector investment cycles, it is highly competitive, there is international ownership and competition law prohibits certain types of collaboration between companies; as a result, there is no power sector plan - and consequently no power sector plan for water use.</li> <li>Power plants are users of river water in WReN, notably on the Ouse and the Trent.</li> </ul> <p><b>Current water use</b></p> <ul style="list-style-type: none"> <li>Power stations currently hold abstraction licences to draw water from rivers which is used mainly for cooling. This use provides increased efficiency compared with air cooling, resulting in societal benefits of reduced emissions to air and affordability of power.</li> </ul>

Sector & [Organisations]	Key messages
	<ul style="list-style-type: none"> <li>Individual companies can provide data on their recent actual water use at specific sites, but this information is not collected centrally for the sector as a whole.</li> <li>In the past decade several power stations have closed in the region reducing the amount of water the sector abstracts. Some of these sites will be re-purposed and the water may become available for alternative uses, others may become future power/hydrogen sites and the water demand will remain or even increase.</li> </ul> <p><b>Future water requirements</b></p> <ul style="list-style-type: none"> <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>JEP (Joint Energy Programme) has provided an updated projection of water use by the power sector for sites within the WReN area. This has enabled WReN to update the future demand projections for the sector in the Regional Plan. Estimates based on this modelling are significantly greater than the WRNF data, however this did not account for net zero commitments. The analysis undertaken projects a continuing fall in annual freshwater consumption by the power sector through the early 2020s followed by an increase in consumption, with increasing uncertainty as the country moves towards net zero. This uncertainty stems from the range of pathways to net zero and the unknowns regarding location of future sites.</li> <li>Currently it is not clear if sufficient water will be available for power/hydrogen production developments in WReN in the future, as future developers and locations of power/hydrogen plant are unknown, but also because there is uncertainty in future water availability and the risk associated with abstraction license reviews. The power sector requires access to water and water rights now and in the future to ensure decarbonisation in a resilient, robust, efficient and affordable way.</li> <li>If existing power sector abstraction licences are reduced, this would not only threaten existing energy production and security of supply; it would also preclude the development of new low carbon energy asset options dependent on freshwater at these locations that would otherwise contribute to a cost-effective achievement of UK net zero 2050.</li> </ul> <p><b>Other challenges</b></p> <ul style="list-style-type: none"> <li>Power plant operators and developers make decisions based on market conditions, there is no duty to develop power plant projects. Therefore, it is not possible to know what type of future plant will be developed where and by whom.</li> <li>Future water abstraction restrictions could constrain energy technology choices, cutting off some routes to net zero, threatening security of supply and/or impacting future costs for the customer.</li> <li>There is no funding mechanism for joint research and development of water resources for all users. Water companies have access to funding for projects that benefit PWS customers, but this is not available for non-PWS. Providing regional groups with funding to benefit non-PWS would be a step in the right direction.</li> </ul>
<p><b>Navigation</b> [Canal &amp; Rivers Trust (CRT)]</p>	<ul style="list-style-type: none"> <li>Abstractions were previously exempt from requiring licenses due to the CRT’s 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 were not included in the National Framework abstraction dataset. Further data was provided by CRT and analysed by WReN to ensure navigational abstractions were presented in the Regional Plan alongside the other non-PWS data (which was largely the WRNF data).</li> </ul>



Sector & [Organisations]	Key messages
	<p>However, this still does not capture all abstractions e.g. some Trusts are still exempt and groundwater abstractions not included, therefore there is still a degree of uncertainty of the overall data.</p> <ul style="list-style-type: none"> <li>• CRT have specified their abstractions should be treated as consumptive as although water may be returned to the system, there is a considerable amount of spatial/temporal variability in where and when it may be returned. Therefore, there is a risk of over-estimating the significance of CRT abstraction across the region.</li> <li>• There is no significant growth in abstraction expected for this sector. However, canal demands for water are complex: abstraction supports environmentally sensitive water bodies and ecological needs, as well as statutory navigation functions.</li> </ul>
<b>Environment</b> [Various Rivers Trusts / CaBA Historic England Natural England RSPB 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, we have worked closely with Northumbrian Water, the Environment Agency and both existing and new non-household businesses to further refine demand forecasts for both raw and potable water which is reflected in this draft regional planning. In particular we have met with companies to agree demand forecasts in relation to a number of new non-household water demands which have been identified in the north east of our region including hydrogen production on Teesside and car battery production within the wider Kielder Water Resource Zone. These have been included in the WReN baseline Distribution Input forecast. Going forwards, we will work with the Environment Agency and BEIS to continue to refine industrial and energy sector demand.

## 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. Alongside these regular meetings we have had targeted discussions on the specific feedback received at the key stages (initial resource position, reconciliation and January 2022 emerging plan)

Additionally, we have continued to consult with the Environment Agency alongside other statutory bodies (Natural England and Historic England) and interested stakeholders through 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 were made where relevant. We set out our responses to the comments received in a table which was provided as supporting information to the January 2022 emerging plan alongside the interim environmental reports containing option-level assessment outcomes. Furthermore, feedback on the interim environmental assessments and on-going consultation since the emerging plan was issued has been used to shape our regional plan. This draft regional plan will be accompanied by the associated WReN environmental assessment reports.

## 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). We have also held specific meetings with Ofwat following publication of the February 2021 resource position statement and the January 2022 emerging plan:

- early 2021: meeting 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.
- 21 March 2022: meeting to discuss Ofwat's feedback on the emerging plan (Letter by email dated 24 February 2022 'WReN emerging regional plan consultation response'). This helped to obtain clarity on certain aspects and work together to identify appropriate actions moving forward in the development of this draft regional plan.

In addition, the water companies within Water Resources North 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 (Regulators' Alliance for Progressing Infrastructure Development)

RAPID's primary role is helping to accelerate the development of new water infrastructure (Strategic Regional Options (SROs)) and hence, 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 in relation to exploring the transfer options. i.e. those associated with loss of Severn Trent Water import (the Upper Derwent Valley Reservoir Expansion (UDVRE) scheme) and the export of raw water from Kielder reservoir to United Utilities (UU) in the WRW region. This has been undertaken working closely with the other relevant regional groups and water companies and both schemes are being progressed via the RAPID gated process (although currently not selected into any draft regional plan).

## Drinking Water Inspectorate (DWI)

We have also engaged with the Drinking Water Inspectorate (DWI) where appropriate, for example regarding the inter-regional transfers. In addition, potential drinking water quality impacts has been taken into account in our assessment of water trading impacts.

## Joint regulatory engagement

We have held meetings between senior representatives from Ofwat, Environment Agency, DWI RAPID, and Directors from WReN water companies at appropriate points through our plan development.

## 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 at each stage of the plan 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 and the potential transfer from WReN (Kielder) to other regions. We have been working together with Severn Trent Water, United Utilities and Water Resources West to understand the cross regional needs and potential solutions, which has resulted in both the in- and out- of region transfers being explored via the RAPID 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 the 14-week consultation period on the draft regional plan alongside the company lever draft WRMP24s including a national level launch and a regional level webinar.

Our website at [www.waterresourcesnorth.org](http://www.waterresourcesnorth.org) will be also used to share the key messages, and general updates from draft to final regional plan 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).

