

# Draft Water Resources Management Plan

Appendix H: Customer and Stakeholder  
Engagement

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# Appendix H: Customer and Stakeholder Engagement

We believe that the views of our customers and stakeholders are vital to our dWRMP. We have shaped our long-term strategy based on feedback from our customer panel and a range of stakeholders who responded to our pre-consultation. We sought to engage with as many stakeholders as possible, including regulators, neighbouring water companies, non-governmental organisations (NGOs) such as wildlife trusts and representative bodies such as farmer’s unions, to understand the issues they believe to be important. We have also actively participated in regional planning meetings and consultation as part of Water Resources West.

The steps we have taken to engage with our stakeholders and customers are summarised in Figure H1.1, with more detailed descriptions in Sections H1 and H2 respectively.



Figure H1.1: Our customer and stakeholder engagement

## H1 Stakeholder engagement

We have undertaken a series of direct stakeholder discussions and consultation activities. We also hold regular stakeholder meetings that we use to share the emerging plan, information and challenges, and to enable our stakeholders to discuss with us the matters which are most important to them. Although regional planning is not a requirement in Wales, we became active participants of the Water Resources West (WRW) regional planning group, initially as an associate member before becoming a core member in May 2022. As a member of this group, we have undertaken stakeholder engagement with its members, the associated regulatory groups and through the WRW stakeholder consultation. Some examples of how we have engaged with a range of different groups are described in the sections that follow.

### H1.1 Environmental Regulators and other environmental groups

Throughout the development of our dWRMP we have held, and participated in, numerous meetings with Natural Resources Wales (NRW) relating to:

- the development of our dWRMP - providing an opportunity for NRW to influence the direction of our plan in key areas.
- Environmental destination – outlining our proposals and providing an opportunity for NRW to comment and provide guidance.
- Demand management – we are involved in quarterly demand management meetings with Welsh Government, NRW, Ofwat and Dŵr Cymru Welsh Water, which involve sharing of plans and initiatives and providing updates on current progress in this area.

We have also met with both Middle Dee and Upper Severn Catchment Based Approach (CaBa) groups and the Wales Water Management Forum to discuss environmental destination in Wales and our proposals.

We are represented in the groups set up to co-ordinate regional water resource planning in England: the Regional Coordination Group (RCG) and All Company Working Group (ACWG). This provides regular opportunities to engage with all the environmental regulators.

### H1.2 Local and Regional Groups

Our water supply area is located wholly within Wales. We have followed NRW and Welsh Government guidance in developing our plan. Some of the requirements for Wales differ to those in England, for example, we do not need to adhere to the Environment Agency's National Framework for Water Resources that covers only water resource zones in England. The approach in England to Environmental Destination is also very different as it focusses primarily on reductions in abstraction. In Wales we take a more holistic approach, seeking opportunities to deliver improved ecosystems and catchment-level biodiversity.

Around 60% of our raw water comes from the River Dee. We are a member of the Dee Consultative Committee (DCC). This group is chaired by NRW and includes other major abstractors and stakeholders within the catchment. The River Dee is operated using rules prepared with the DCC's advice. The special conditions for operation in severe droughts must be approved and adopted by all members of the Committee. We have worked with the other members of the DCC to ensure our water resources and climate change modelling approaches are aligned.

We are also core members of the River Severn Working Group and River Severn Modelling Group. These groups include other water companies (United Utilities, Severn Trent, South Staffordshire Water, Bristol Water, Thames Water), regulators including NRW, Environment Agency, Ofwat, Natural England, and

other stakeholders including the River Severn Partnership and the Canal and River Trust. The Working Group is a useful knowledge sharing forum, with information about work programmes (such as the Severn to Thames Transfer proposal, drought monitoring and drought plan updates, River Severn Enterprise scheme) being discussed on a regular basis. The River Severn Modelling Group carried out a model parameter and assumptions alignment project to ensure that all companies are using the same assumptions for shared resources, like reservoir operational rules, River Severn regulation rules and abstraction assumptions.

Although regional planning is not a requirement in Wales, because we share resources, such as in the River Dee and Severn catchments, and own major reservoirs (Lake Vyrnwy and Clywedog reservoir) which are used by companies in England, we have been an active associate member of Water Resources West (WRW). Since Water Resources West was formed, we have worked closely with the core members, aligning methods and approaches where appropriate and sharing data, information and knowledge. During the pre-consultation process we received feedback from our stakeholders asking us to become core members of Water Resources West. We listened to and acted on that feedback, becoming core members in May 2022. We believe that this will help give a better representation of the Upper Severn and Dee catchments in the regional plan.

United Utilities own the abstraction licence for use of water from Lake Vyrnwy and are proposing to use it in a different manner as part of a Strategic Resource Option. This means that water that normally supplies the north-west of England would be released into the River Vyrnwy before flowing into the River Severn for use by abstractors in the Midlands and south-east England. This potential utilisation of the natural environment as part of a major water transfer scheme was another reason for us becoming a core member of WRW because we feel it important that we are properly involved in any regional discussions about its potential use and ensure our customers are represented within any proposals made.

Our engagement at a regional stakeholder level has been undertaken in a multitude of ways, including participating in monthly Senior Group Water Resources West meetings with representatives from all the regional companies and across a range of sectors, through attendance at the Regulators' Alliance for Progressing Infrastructure Development (RAPID) meetings, other targeted stakeholder meetings and workshops, and through the WRW website and consultation events.

Additionally, we have held regular meetings with our neighbouring water companies (United Utilities, Dŵr Cymru and Severn Trent) to explore potential opportunities to develop new import/export options. Details on this can be found in appendix A3.2. We have also engaged with potential third parties, for example the Coal Authority and Canal and River Trust.

### **H1.3 Consumer Council for Water (CCW)**

We have engaged with CCW through regular meetings to discuss both our PR24 customer engagement strategy as well as our customer research relating to the dWRMP. Through these regular interactions CCW have challenged the proposed objectives of the research, including challenging us to talk to customers about water transfers. In addition to this we have recently recruited an Independent Challenge Expert (ICE) to challenge our PR24 customer engagement plan and join the Central Oversight Group run by CCW. We will work with the ICE and CCW to challenge our understanding of our customers and the line of sight between our research and the proposed PR24, WRMP and DWMP.

## H1.4 Pre-consultation

As part of the dWRMP process we are required to carry out 'pre-consultation' with certain statutory stakeholders, such as NRW, Ofwat, Cadw and any licensed water supplier that supplies water to premises in our area through our supply system. We prepared a detailed pre-consultation, which we shared with our statutory consultees. We also had meetings with NRW and Ofwat to go through the pre-consultation information in depth. This included:

- what has changed since WRMP19 and why;
- updated baseline supply demand balance forecasts;
- drought resilience assessments;
- initial views of what we might need to do if we were to have any deficits (demand becomes higher than supply) in future, and;
- our initial environmental destination ambitions.

To gather as much feedback as possible we also shared this pre-consultation information with 45 different groups and organisations in and around our area, inviting them to give their views on topics that could influence the development of our draft WRMP. We also ran an online stakeholder session, providing an overview of our approach for developing the dWRMP and some elements of our PR24 business plan and encouraging an open discussion about our environmental destination ambitions and options for providing resilience to people on private water supplies. We collated the feedback and combined it with the written responses we received through the formal pre-consultation process. Some common themes emerged.

**Stakeholder Feedback:** Our stakeholders welcomed early sight of the supply and demand forecasts but some wanted to know more about how the forecasts were derived.

**Our response:** These comments were received as part of the formal written pre-consultation response. We held an online stakeholder event to give an opportunity to talk our stakeholders through the methods, data and assumptions used to build the initial draft plan. We have been keeping NRW and Ofwat (two of the key respondents who asked for more information) updated on our progress. More detail on our methods and assumptions can be found in the technical appendices.

**Stakeholder Feedback:** Our stakeholders wanted to know more about our proposed leakage and water efficiency strategy.

**Our response:** We have given careful consideration to the pace and ambition of both our leakage and water efficiency strategies. Our plan has been influenced by the views of our customers, balancing both cost impacts on customer bills and the speed at which our customers want us to act. More detail on our strategies can be found in Section 7.2 and 7.3 of the main plan.

<p><b>Stakeholders Feedback:</b> “To provide more focus for Wales, where there is cross border interests in regional planning, we think you should consider becoming a full member of Water Resources West (WRW). This would allow the areas of Upper Severn and River Dee to be fully considered as part of WRW and provide clarity when engaging with stakeholders in the area.”</p> <p><b>Our response:</b> Since Water Resources West formed we have been actively involved as associate members to ensure that the interests of the Upper Severn and Dee are represented. We have worked closely with the core members, aligning our methods and approaches where appropriate and sharing data sets, knowledge and information. Although there is no requirement for regional planning in Wales, we have listened to our stakeholder feedback. We have now become core members of Water Resources West, fully integrating into the regional plan and helping to increase the focus on Wales’ needs (more detail on Water Resources West can be found in Section 6.2 of the main report).</p>	<p><b>Stakeholder Feedback:</b> “You should ensure the WRMP includes ambitious environmental targets as set out in the Welsh Environmental Destination guidance for both existing and future operations. This could include catchment based solutions, wider than just reducing abstraction.”</p> <p><b>Our response:</b> Our environmental destination approach will be focused on catchment level investigations and practical biodiversity improvements at sites that we own. We are working with a range of partners on a variety of different projects, including peatland restoration at the Vyrnwy estate, grassland and woodland habitat improvements, habitat creation, leat repair and maintenance, invasive species management and catchment management opportunities. More details on our approach can be found in Sections 7.1 and 7.4 of the main plan. We will develop specific targets in conjunction with NRW and other partners and report them in our final plan.</p>
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## H2 Customer engagement

We have carried out qualitative research with the help of a group of our customers on the specific parts of the dWRMP where they have most direct influence on our plans. Our water resources modelling tells us that whilst climate change will affect some of our sources of water, changes in growth and demand are likely to mean that our long-term supply demand balance remains in surplus - we will be able to supply more water than demand requires. As a result, we are not considering any ‘supply-side options’ (i.e. new sources of water). Instead, we focussed our research on gauging customer response to the topics shown in Figure H2.1.

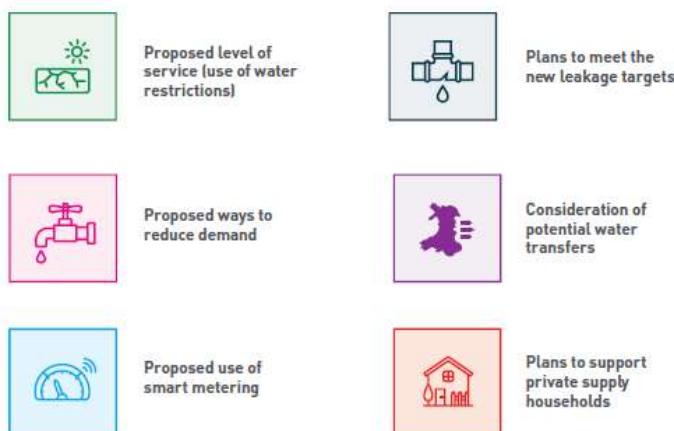


Figure H2.1: Core customer research topics

Our research targeted a group of 35 current and future customers from a range of customer types:

- four future customers
- ten customers who live in the Powys area
- ten customers who live in the Wrexham area
- six non-household customers
- five customers without internet access, who we spoke to on the telephone

Our demographic included customers from all housing types, with a mix of metered and non-metered households. An overview of the process we followed is shown in Figure H1.2.

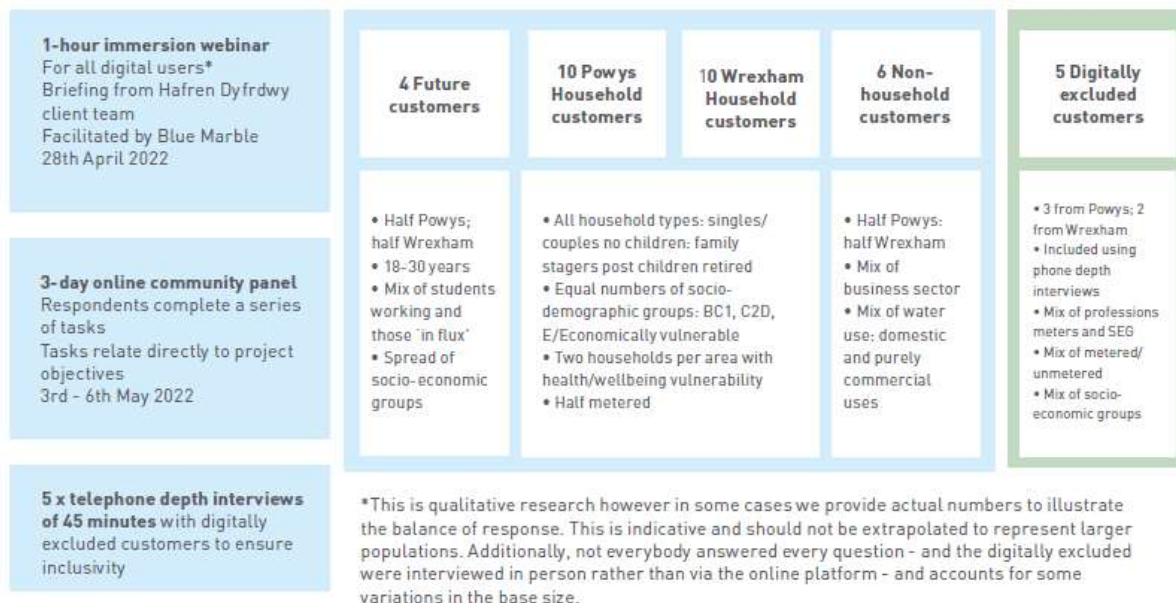


Figure H2.2: Overview of our customer research process and the targeted customer groupings

During the webinar we shared information with our customers on the six specific topics shown in Figure 5.2. We then posed a series of questions during the three-day online community panel sessions. A summary of the questions posed, what our customers told us and how we have used their responses to shape our plans is summarised in section 5.2 of the main plan document.

Prior to asking the targeted questions on the six key topic areas, we asked our customers what they thought might change over the next 25 years (the minimum period we are expected to plan for in a WRMP). Their responses are shown in Figure H2.3. Understanding these future looking views helps us to weight or prioritise options within our dWRMP and PR24 business plan that can bring multi-benefits to the both the environment and society within our area.

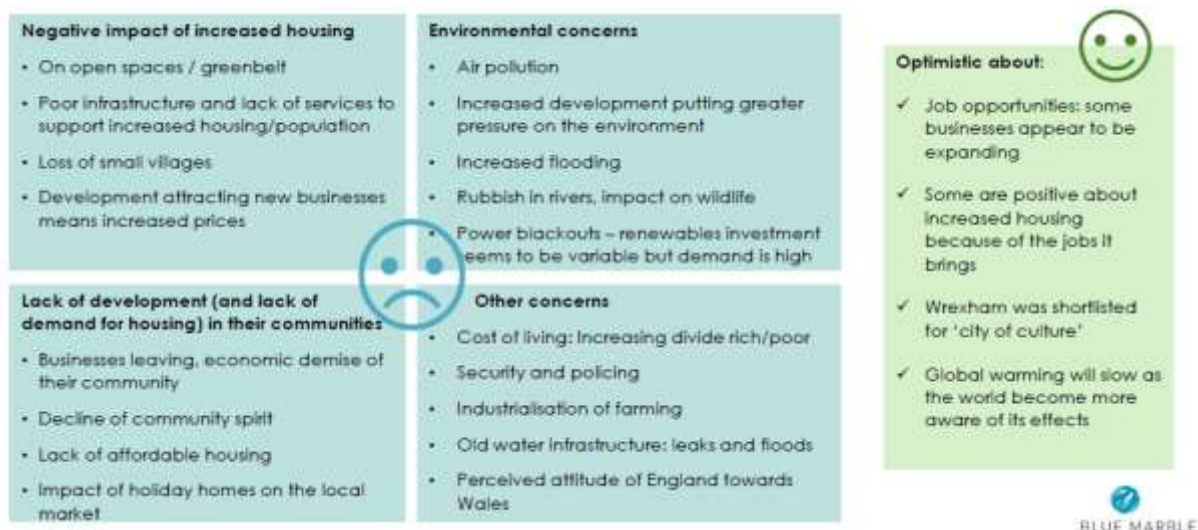


Figure H2.3: Unprompted customer views on what they think may change in the next 25 years.

We asked a similar question to our non-household customers, but with more of a focus on how they thought their businesses and water use may change over the next 25 years. Their responses are shown in Figure H2.4.

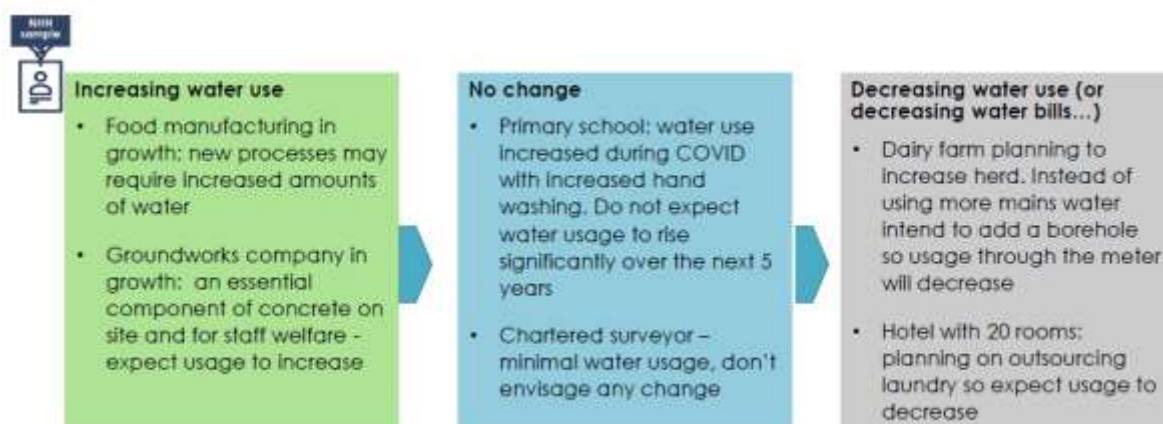


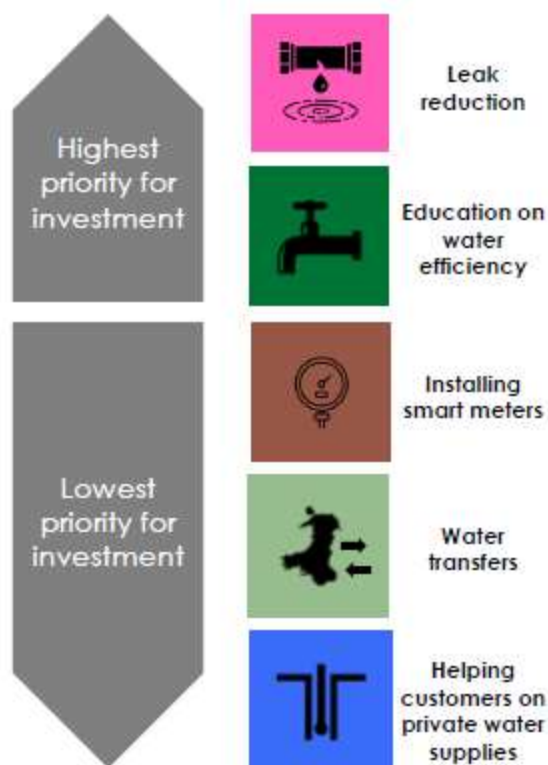
Figure H2.4: Non household customers future looking views

Some of the key feedback we received from our customers through the research included:

- Customers have many concerns about the next 25 years (e.g. new developments, demise of community, cost of living and environmental threats – including flooding).
- By sharing information around the water resources planning process and the issues we assessing, such as severe drought and the impacts of climate change, the panel felt more well informed.
- Very few of the customers in our panel have experienced water restrictions in their lifetimes. Hearing that we are planning for water scarcity came as a surprise but was reassuring.
- Customers and future customers support the proposed level of service for drought restrictions (1 in 40 years for temporary use bans), with many indicating they would accept more frequent restrictions.

Following the customer research webinar, we asked our customers to prioritise the proposals we made to them for our dWRMP. The priority ranking is shown in Figure H2.5.





**Figure H2.5: Customer prioritisation of our potential areas of investment**

Our customers prioritised leakage reduction, supporting ambitious targets.

Education has more widespread appeal than the other investment areas. Customer views were that it is sensible, preventative and empowers customers to make beneficial choices.

Other investment areas were relatively lower priorities for our customers:

- Smart metering received mixed views (notable that future customers were more positive towards these).
- Water transfers overall were seen to be acceptable in principle providing Hafren Dyfrdwy customers and supplies are prioritised. But the concept was controversial for some of our customers.
- Private water supplies affect few people and hence was a lower priority.