

PORTSMOUTH CITY COUNCIL

SCRUTINY REVIEW – WATER SUPPLY

Background

Portsmouth City Council set out the need for a review of water supply adequacy in December 2005. The review was completed in May 2007 and is now subject to a 'scrutiny' of progress. The review contained a series of recommendations of which three referred specifically to Portsmouth Water.

Recommendation 4 – Urgently reconsider its Water Resources Plan

As part of a modified 'statutory' process, Portsmouth Water prepared a Draft Water Resources Management Plan in March 2008. This was subject to a public consultation and a copy of the Draft Plan was sent to the City Council. No representation was made by Portsmouth to the Secretary of State. The key elements of the Planning Solution identified for the 25 years of the Plan Period were:

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| • Additional Leakage Control | 2010/11 |
| • Water Efficiency Programme | 2010/11 |
| • Compulsory Metering Programme | 2010/11 |
| • Retrofitting Dual flush devices | 2010/11 |
| • Farlington Washwater Recovery Plant | 2011/12 |
| • Additional Boreholes at Lavant and Brickkiln | 2014/15 |
| • Havant Thicket Winter Storage Reservoir | 2021 |

As required by the legislation, a Statement of Response was prepared setting out the key changes made to the Plan as a result of the representations made.

The key changes to the Final Plan which, as a result of the consultation, were included in the Statement of Response, are expected to be:

- Level of Service for hosepipe bans reduced to 1 in 20 years
- Outage risk increased to 5%
- Sustainability reductions implemented in 2015
- Population profile adjusted to match the South East Plan and also to reflect the current recession
- Bulk supplies to Southern Water maintained
- Climate change included for surface waters
- Headroom risk increased to 5%

The Statement of Response was sent to the Secretary of State and those organisations which made representations at the end of January 2009. A copy is also published, along with the Draft Plan on the Company's website.

The Final Water Resources Management Plan is subject to approval by the Secretary of State and this is not expected until November 2009.

Recommendation 5 – Keep fully informed about Havant Thicket Winter Storage Reservoir

Portsmouth Water has kept Portsmouth City Council fully informed about Havant Thicket Winter Storage Reservoir. Portsmouth Water has, on a number of occasions, invited Portsmouth City Council to join our Havant Thicket Winter Storage Reservoir Stakeholders Group which meets on a six-monthly basis. The Group provides the opportunity for dialogue between Portsmouth Water and key local stakeholders and the involvement of the community in the development of the proposal. Portsmouth City Council has not attended to date.

The Council were sent a public consultation document about the reservoir in Spring 2008. In September 2008, a newsletter was published which summarised the public responses to the consultation. Following a visit by City Council Officers to the Exhibition, there was further dialogue with City Council Officers about housing development in the area adjacent to Havant Thicket (James Brewer/Alison Cloutman).

A dedicated website has been established at www.havantthicketreservoir.co.uk

Recommendation 6 – Review our approach to metering

As part of the Water Resources Management Plan process, Portsmouth Water has considered compulsory metering as one of the range of demand management options for overcoming our potential future deficit in supplies. The Government has recently changed the legislation requiring the Company to consider the financial viability of compulsory metering in areas of 'Water Stress'. Ofwat, the financial regulator, still requires all the options to pass an cost/benefit test prior to funding being provided via water prices. The Final Water Resources Management Plan currently includes universal metering by 2030.

Our Final Business Plan, which sets out our five year investment proposals for the five years from 2010-2015, was submitted to Ofwat in April 2009. At that time we were unable to provide sufficiently robust evidence to support our climate change impacts in our water resources section of the Plan and so no investment is included in that Plan. Universal metering is, therefore, not currently proposed and we plan to continue to offer meter options as covered by current legislation.

At the current time, the Final Water Resources Management Plan and the Final Business Plan are not consistent, but we anticipate the UK Climate Programme forecasts will be published shortly and that we will be able to update both forecasts which may lead to a change in metering policy.

Although you have only requested responses to three recommendations, there are two others on which we would like to comment:

Recommendation 3 – Abstraction Licence at Gaters Mill on the River Itchen

I believe you may have misunderstood the information which we have previously sent as there has been no requirement for the Company to 'renew' its abstraction licence. The licence, which is a Licence of Right in perpetuity, has, however, been the subject of an Appropriate Assessment required by the Habitats Regulations. The review has been conducted by the Environment Agency and this has resulted in a Site Action Plan which will impose new 'hands-off' flow conditions upon the river just downstream of our Gaters Mill abstraction point. The result will be that the condition is not likely to be imposed until 2015

which should provide us with sufficient time to develop alternative solutions and these have been included in our Water Resources Management Plan.

The Agency has the power to amend or revoke our licence if we do not voluntarily request a variation.

Recommendation 13 – Working in partnership with water companies on water efficiency

Portsmouth Water has expressed concern about the PUSH standards that are being proposed for water efficiency in new homes in the area.

There were serious problems with the Code for Sustainable Homes and we believe that the higher levels of water efficiency proposed in the Code would have resulted in unsustainable outcomes for the water companies. The Government has, however, recently revised the 'Water Efficiency Calculator' that forms part of the Code for Sustainable Homes and the revised Building Regulations. The revised calculator has addressed some of the earlier problems with the Code and we now believe that it may produce more practical results.

We believe that Level 3 of the Code is mandatory for all publicly funded homes and we anticipate that it will be possible to meet this level with reasonably standard fittings in the home which will also be acceptable to householders. These include the following:

- 4.5 litre single flush toilets
- 6.0 litre/min aerated taps
- Standard bath (225 litres)
- 6.0 litre/min aerated shower
- Water efficient washing machine (8 litres/kg)
- Water efficient dishwasher (1 litre/place setting)
- External water butt

Using the best available technology, we do not believe it is possible to reach Level 6 of the Code without rainwater harvesting. Portsmouth Water strongly advise the Local Authorities not to adopt any standard beyond Level 3 of the Code at this time. Inclusion of Level 6 in any policies could result in challenges from developers and subsequent delays to the LDF process.

Level 3 of the Code is a major step forward for water efficiency in new homes although, as yet, we have no evidence to show that it is being achieved. We believe that planning guidance should allow time for these benefits to be delivered before considering any further tightening of standards.