

DEE VALLEY WATER

DRAFT STATUTORY WATER RESOURCES MANAGEMENT PLAN

STATEMENT OF RESPONSE TO REPRESENTATIONS RECEIVED

1. STATUTORY WATER RESOURCES MANAGEMENT PLANS

The Water Act 2003 (Water Industry Act 1991 Section 37 A to D, as amended by Section 62 of the Water Act 2003) inserted a statutory requirement for water companies to prepare, maintain and publish water resources management plans. In accordance with the Water Act 2003 Dee Valley Water has published its draft Statutory Water Resources Management Plan for consultation. The draft Water Resources Management Plan (WRMP) was provided to statutory consultees and also published on the Company's website on 6 February 2009. A hard copy was also made available at the Company's head office. Appendix A contains the list of consultees.

2. PUBLIC CONSULTATION

Following publication there was a 10-week period (ending on 1 May 2009) for representations to be sent to both the Welsh Assembly Government and the Department for Environment, Food and Rural Affairs. In accordance with the Act, this Statement of Response to the representations received is being published on 10 July 2009, 10 weeks after the closing date of the public consultation.

The following organisations submitted representations:-

Consumer Council for Water (CCWater)
Environment Agency (EA)
Countryside Council for Wales
Northwest Regional Development Agency (NWRDA)
English Heritage

3. REPRESENTATIONS

All of the respondents were supportive of the Plan and most provided helpful advice on where the Company's draft plan could be improved.

A summary of the representations, together with the Company's responses, is included as Appendix B to this statement.

The representations received have been grouped into five main categories:

Environment
Demand forecasts
Investment
Water efficiency and metering
Compliance with the Act

Environment

CCWales acknowledged that the WRMP would not lead to measures that would increase the present risk to European sites if fish entrainment issues at other large abstraction points were addressed. United Utilities have confirmed to the Company that they have included projects in their Business Plan to improve fish screening at their larger abstraction points. Based on the assumption that United Utilities will receive funding in the Final Determination, screening improvements at the abstraction points will go ahead and the risk of entrainment issues will be reduced.

The Environment Agency recommended that the Company review the assessment of climate change on the abstractions from the River Dee. The Company plans to re-assess the deployable outputs of the Company operated water resources using the latest climate change predictions (UKCIP09). In view of the late publication of the UKCIP09 information this will be undertaken after the submission of the Final WRMP. In addition the Company proposes to work with neighbouring water companies to determine the climate change impact on the River Dee.

Demand forecasts

CCWater have stated that they would like the Company to ensure that all DVW customers suffer no water supply deficit. This is an aspiration of the Company but it must be realised that increasing the levels of service has cost implications.

As part of the compilation of the WRMP the Company undertook an analysis of the most cost-effective options available to the Company in the event of a supply demand deficit. The options, which the Company considered, are shown below. It is worth noting that this is a high level list and if required, individual feasibility studies would be needed for some of the schemes.

The schemes as shown below have been ranked with the most cost effective first. It is likely that the ranking order will change over time. For example, the facility to install cistern displacement devices will diminish as more customers install dual flush toilets or install cistern displacement device.

Ranking	Scheme
1	Bulk import
2	Nant Y Ffrith licence change for additional winter abstraction
3	Cistern displacement devices
4	Non-domestic audit (continuous programme)
5	Domestic metering (universal)
6	Domestic metering (new build and optants)
7	Domestic audits (every property over 25 years)
8	Pen Y Cae raw water transfer to Ty Mawr
9	Domestic metering (on change of occupancy)
10	Increased Active Leakage Control
11	Wash water recycling (Llwyn Onn)
12	Wash water recycling (Legacy)
13	Dual flush retro-fits
14	Water Butts

CCWater were concerned that headroom declines towards the end of the period and suggested that the Company should monitor this closely. The Company monitors this as a matter of course on an annual basis and the outcome of the review is submitted to Ofwat as part of the June Return submission in Table 10a. The Company also carries out a major review every five years for the WRMP submission.

The Company received several representations that the demand forecasts could be improved and suggested areas where improvements could be made. The main areas for improvement are listed below:

- Housing
- Occupancy rate
- Metering
- Levels of Service
- Per capita consumption
- Micro-component analysis

The Company accepts that improvements could be made to the assessment of some of the bulleted items but considers the improvements to be minor tweaks of relatively robust data. Nevertheless the Company has reviewed each item to see where improvements could be made and included them within the Final WRMP.

The NWRDA suggested that the annual housing rate included in the draft WRMP tables for the Chester Resource Zone of 417 should be viewed as a minimum and a higher housing rate should be adopted for the final Plan to reflect the Government announcement that Chester and Cheshire West has recently been nominated as a Growth Point.

The Company has reviewed the latest Growth Point Housing Trajectory information (*Reference: planning_policy_growth_programme.pdf*) and notes that the total projected houses for the Chester area is 4,502 between 2008/09

and 2016/17, giving an annual housing rate of approximately 500. The Growth Point also has aspirations to achieve a housing rate of 23% above the Regional Spatial Strategy resulting in an approximate annualised requirement for Chester of 600.

At this stage, there is little information to identify where the extra 23% Growth Point properties will be located and it therefore seems reasonable to take a cautious view of these aspirational properties especially when the housing completions during the last five years have not even achieved the current RSS annualised requirements with a total shortfall of 1,560 houses. Whilst the current economic climate will have had an impact on the rate of new housing completions, but only since 2007/08, the RSS requirement has only been achieved once in 2005/06.

Based on the housing completions included in the *planning_policy_growth_programme.pdf* document the historical (2001/02 to 2007/08) average annual completion rate for Chester is estimated as 359. Given that not all of these houses were built within the Company's area of supply (eg Kelsall is an area that lies within the Chester council area but is not supplied by Dee Valley Water) and the fact that some of the planned housing developments have already missed the target completion dates, the annualised figure of 417 adopted by the Company represents an uplift on recent housing completion rates whilst also being a reasonable estimate in the short-term.

Given the above, the Company has not changed the annualised figure of 417 for the Chester Resource Zone but has used the higher housing rate as an upper bound in the sensitivity analysis.

The Environment Agency raised its concerns regarding the forecasts for non-household and per capita consumption suggesting that the Company adopts a Standard Industrial Classification (SIC) Code for the former and a micro-component analysis for the latter. Both of these forecasting techniques are being progressed by the Company but they will not be sufficiently well developed for the Final WRMP. The Company will therefore continue with the current approach to demand forecasting.

Investment

CCWater raised their concerns regarding the impact the reassessment of the required mains renewal between Draft and Final Business Plan will have on the WRMP. As part of the process of developing the Final Business Plan the Company analysed whether reducing the mains renewal rate would lead to a significant increase in leakage. Examination of the rate included in the Draft Business Plan represented an improvement in sustainability indicators such as the annual number of bursts and leakage. The findings of the assessment indicated that a slight reduction in the mains renewal rate had a negligible effect on leakage. The Company therefore believes that the WRMP targets are still achievable.

Water efficiency and metering

Most respondents asked the Company to provide more detail of the approach that was being taken to ensure that metering targets could be achieved. It is worth noting that the projected meter penetrations for each resource zone included in the draft WRMP are not targets but the Company's forecast of how many meters will be in the ground based on recent historical trends of the meter uptake by customers. The Company notes that achieving the meter penetration will ensure, to a certain extent, that the supply demand balance will remain healthy. The Company acknowledges that increasing the meter penetration may become more of a problem when the proportion of metered properties is much higher. Given this the Company will continue to monitor the number of metered customers and if necessary has the option to increase promotion of the free meter option scheme or adopt a policy to install meters at properties on change of ownership.

Compliance with the Act

The Environment Agency asked the Company to provide information on how it has complied with Sections 3(a) – (c) of the Water Resources Management Plan Direction 2007.

The Company believes it has provided sufficient information to demonstrate that it has complied with item (a) - restrictions on water use in Section 2.7 of the Plan and (b) - options appraisal, which has not been undertaken as the Plan does not forecast a supply demand deficit.

The Company accepts that the Plan does not comply with item (c), which relates to the emissions of greenhouse gases and commits to reviewing the Company's carbon footprint and incorporating the information in the final version of the WRMP.

Appendix A
List of Consultees

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The following organisations were consulted as part of the draft Water Resources Management Plan consultation stage:

No.	Consultee	No.	Consultee
1.	Chief Executive Countryside Agency Northwest Regional Office 3 rd Floor Bridgewater House Whitworth Street Manchester M1 6LT	2.	Chief Executive English Heritage North West Region Canada House 3 Chepstow Street Manchester M1 5FW
3.	Chief Executive English Nature Pier House Wallgate Wigan Lancashire WN3 4AL	4.	Director Wales Environment Agency Wales Cambria House 29 Newport Road Cardiff CF24 0TP
5.	Chief Executive Countryside Council for Wales Maes-y-Ffynnon Penrhosgarnedd Bangor Gwynedd LL57 2DW	6.	Director Cadw Welsh Assembly Government Plas Carew Unit 5/7 Cefn Road Parc Nantgarw Cardiff CF15 7QQ
7.	Director Welsh Development Agency Unit 7 Ffordd Richard Davies St Asaph Business Park St Asaph LL17 0LJ	8.	Director Northwest Development Agency Brew House Wilderspool Park Greenalls Avenue Warrington WA4 6HL
9.	Regional Manager Consumer Council for Water Wales Room 140 Caradog House 1-6 St Andrews Place Cardiff CF10 3BE	10.	Chief Executive Wrexham County Borough Council Crown Buildings Chester Street Wrexham LL13 8BG
11.	Chief Executive Denbighshire County Council County Hall Wynnstay Road Ruthin LL15 1YN	12.	Chief Executive Flintshire County Council County Hall Mold CH7 6NF
13.	Director Chester City Council The Forum Chester CH1 2HS	14.	Chief Executive Cheshire County Council Backford Hall Backford Chester CH1 6EA
15.	Chief Executive United Utilities Dawson House	16.	Chief Executive Severn Trent Water 2297 Coventry Road

	Great Sankey Warrington WA5 3LW		Birmingham B26 3PU
17.	Managing Director Dwr Cymru Welsh Water PO Box 690 Cardiff CF23 5WL	18.	Chief Executive The RSPB Maes-y-Ffynnon Penrhosgarnedd Bangor Gwynedd LL57 2DW
19.	Director North Wales Wildlife Trust 376 High Street Bangor Gwynedd LL57 1YE	20.	Director Cheshire Wildlife Trust Grebe House Reaseheath Nantwich Cheshire CW5 6DG
21.	Director Welsh Assembly Government Cathays Park Cardiff CF10 3NQ	22.	Director Friends of the Earth Cymru 33 Castle Arcade Balcony Cardiff CF10 1BY
23.	Director Campaign for the Protection of Rural Wales Ty Gwyn 31 High Street Welshpool Powys SY21 7YD	24.	Chairperson Friends of the Meadows Chester City Council The Forum Chester CH1 2HS
25.	Olwen Minney Water Policy Manager Water Policy Branch Climate Change and Water Division Welsh Assembly Government Cathays Park Cardiff CF10 3NQ	26.	Paul Hope Head of Supply/Demand Balance OFWAT Centre City Tower 7 Hill Street Birmingham B5 4UA
27.	Dawn Instone Water Supply & Regulation Division Department for Environment, Food and Rural Affairs Ergon House 17 Smith Square London SW1P 2AL	28.	Miss J A King Flat 4 7 St Andrews Road Surbiton Surrey KT6 4DT
29.	Lesley Griffiths AM (Labour - Wrexham) Constituency Office: Vernon House 41 Rhosddu Road Wrexham LL11 2NS	30.	Ian Lucas MP Wrexham Constituency Office: Vernon House 41 Rhosddu Road Wrexham LL11 2NS
31.	Karen Sinclair AM (Labour - Clwyd South) Constituency Office 6 Oak Mews Oak Street Llangollen Denbighshire LL20 8RP	32.	Martyn Jones MP Contact Information Foundry Buildings Gutter Hill Johnstown Wrexham LL14 1LU

33.	Christine Russell (MP for City of Chester) Constituency Office: York House York Street Chester CH1 3LR	34.	Mr. Mark Tami Alyn & Deeside MP Deeside Enterprise Centre Rowley's Drive Shotton Deeside Flintshire CH5 1PP
35	Mr. David Hanson (MP Delyn) 64 Chester Street Flint Flintshire CH6 5DH	36.	Mr. Carl Sargeant (AM Alyn & Deeside) Deeside Enterprise Centre Rowley's rive Shotton Deeside Flintshire CH5 1PP
37.	Eleanor Burnham (AM North Wales Region) Constituency Office 67 Regent Street Wrexham LL11 1PF	38.	Ms. Janet Ryder (AM North Wales Region) 65 Well Street Ruthin Denbighshire LL15 1AG

List of libraries

No	Library
1	Chester Library, Northgate Street, Chester, Cheshire, CH1 2EF
2	Blacon Library, Western Avenue, Blacon, Chester, Cheshire, CH1 5QY
3	Lache Library, Lache Park Avenue, Lache, Chester, Cheshire, CH4 8HR
4	Upton Library, Wealstone Lane, Upton, Chester, Cheshire, CH2 1HB
5	Hoole Library, 91Hoole Road, Hoole, Chester, Cheshire, CH2 3NG
6	Great Boughton Library, Green Lane, Vicars Cross, Chester, Cheshire, CH3 5LB
7	Bishops High Library, Vaughans Lane, Great Boughton, Chester, Cheshire, CH3 5XF
8	Tarvin Library, Village Room Community Centre, Meadow Close, Tarvin, Cheshire, CH3 8LY
9	Tattenhall Library, Park Primary School, Tattenhall, Chester, Cheshire, CH3 9AH
10	Malpas Library, Bishop Heber High School, Malpas, Cheshire, SY14 8JD

Appendix B
Summary of representations