Department
for Environment
Food & Rural Affairs

Consultation on National Policy Statement for Water Resources Infrastructure – types and sizes of projects

Summary of responses and government response

August 2018

This publication is available at www.gov.uk/government/publications

Any enquiries regarding this publication should be sent to us at to WaterSupplyNPS@defra.gsi.gov.uk

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Introduction

1. Between 5 and 26 April 2018 the Department for Environment, Food and Rural Affairs (Defra) held an informal consultation on the types and sizes of nationally significant water resources infrastructure in the Planning Act 2008 ('the Planning Act'). The consultation can be found at: https://consult.defra.gov.uk/water/nps-infrastructure-types-and-sizes

2. The consultation was a follow up to an earlier consultation, which asked for views on the development of the National Policy Statement (NPS) for Water Resources Infrastructure and proposals to amend the definitions of nationally significant water resources infrastructure set out in the Planning Act to which the NPS will apply. That consultation closed in December 2018 and the government response was published in April 2018.

3. This consultation set out a number of specific proposals for amendments to the Planning Act, and asked for respondents to indicate whether or not they agreed with these proposals and to provide any reasoning to support their position.

4. The purpose of this document is to summarise responses to the questions set out in the April 2018 consultation and to provide the government's response. This summary is a high level overview of the main messages from respondents. It aims to reflect the views offered but, inevitably, it is not possible to describe all the responses in detail.

5. We are grateful to the organisations and individuals who responded to the consultation. These responses have been considered when amending the Planning Act. We are in the process of developing a NPS for Water Resources Infrastructure and will be consulting on this draft in autumn 2018.

6. Any enquiries regarding this document should be directed to watersupplynps@defra.gsi.gov.uk

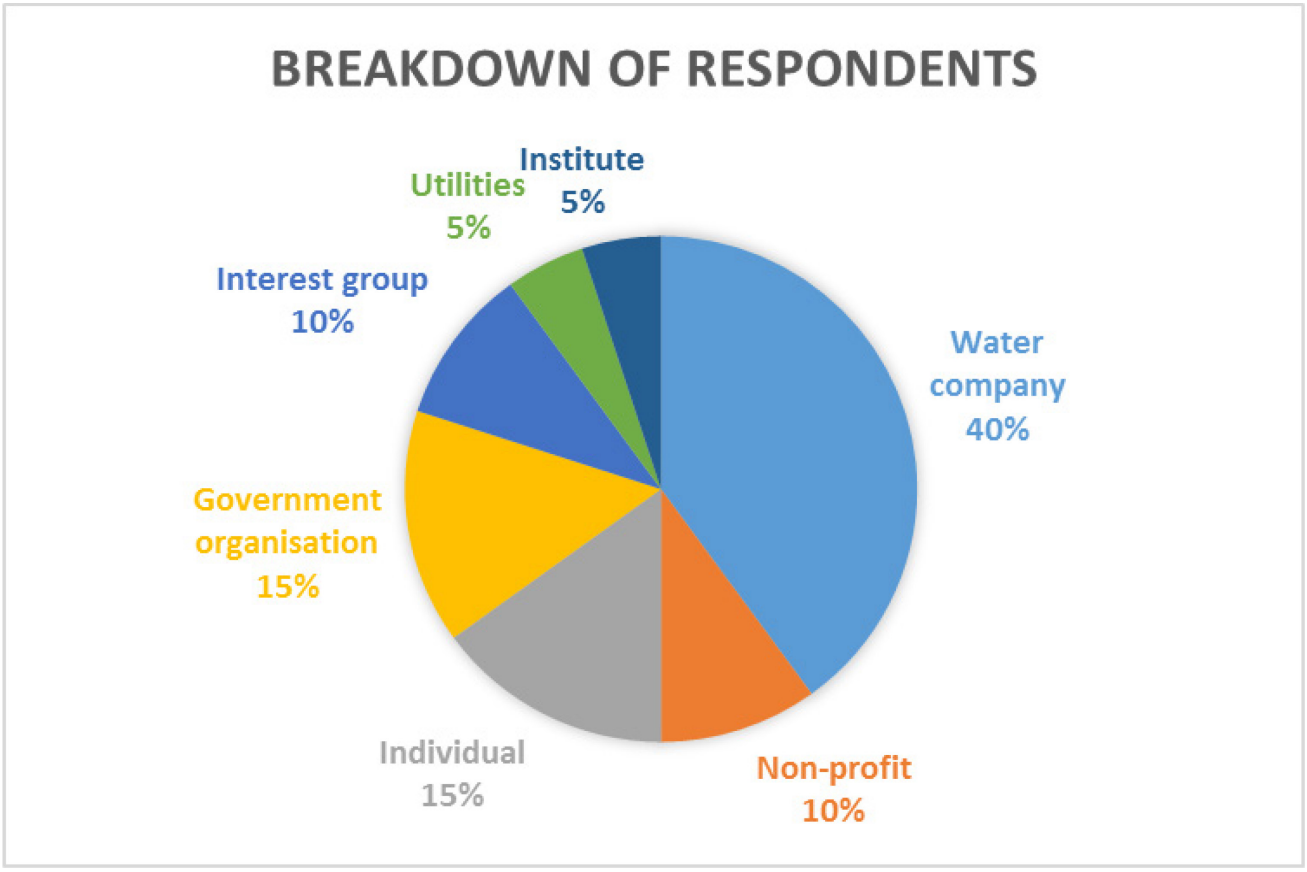
Overview of responses

7. The consultation received responses from a wide range of stakeholders including water companies, charities, interest groups, government bodies and individuals. The largest group of respondents were water companies.

8. 20 responses were submitted; online via citizen space and email.

9. The majority of respondents agreed with our proposed amendments to the types and sizes of nationally significant infrastructure for water resources within the Planning Act, and for this reason, we will take forward the proposals we presented in the consultation.

Figure 1: Breakdown of respondents



Summary of responses

Question 1: We propose to use 'deployable output' as the metric to define the sizes of infrastructure within the Planning Act 2008. Do you agree with our proposal to use 'deployable output' as the metric? Please provide supporting reasons for your position.

There were 20 responses to this question. The majority of respondents agreed with our proposal, with 14 respondents responding yes. 2 respondents held no view and 4 disagreed with our proposal to introduce deployable output as the metric to define sizes of nationally significant water infrastructure.

Those supporting the use of deployable output tended to welcome the consistency for comparison between different infrastructure types and that this provided transparency and accessibility. They also welcomed the fact that deployable output is already used within the methodology for Water Resource Management Plans (WRMP's).Others suggested that deployable output, as it links the asset to the supply demand balance, would allow for the inclusion of strategically important, but rarely used schemes, like desalination.

Those disagreeing with our proposal to introduce deployable output as a qualifying metric across all schemes suggested that the methodology to determine deployable output was open to interpretation and too variable for meaningful comparisons or that demand management techniques should be exhausted before any new infrastructure is developed.

Question 2: Our proposed definition for reservoirs is a scheme designed to hold back 30 million cubic metres (30,000 million litres) or provide 80 million litres per day deployable output. Do you agree with our proposed definition for reservoirs? Please provide supporting reasons for your position.

There were 20 responses to this question from a broad range of stakeholders. Though responses to this proposal were split, the majority, 53%, of respondents agreed with our proposal to raise the hold back capacity for qualifying reservoirs to 30 million cubic metres or which provide 80 million litres per day deployable output. 26% of respondents disagreed with this proposal.

Those who agreed with our proposal felt that 30 million cubic metres seemed nationally significant and therefore appropriate, raising the threshold ensures smaller schemes would continue to go through local, and more appropriate, planning routes. They also liked that the proposed thresholds for reservoirs reflect not just the capacity but also the yield. It was agreed that there is a need for consistency across all schemes, in order to ensure developers are not perversely incentivised to build one scheme type over another.

A number of respondents felt that they were content with only one metric for reservoirs, with two feeling unnecessary, with deployable output itself a function of the size of a reservoir.

Those who disagreed with our proposals suggested demand reduction and leakage management should be explored fully before any new infrastructure is developed and that the introduction of deployable output could bring relatively small reservoirs, which they would consider inappropriate, into the nationally significant definitions.

Question 3: Our proposed definition for water transfer schemes is a scheme designed to transfer water equal to or exceeding 80 million litres per day deployable output. Do you agree with our proposed definition for water transfer schemes? Please provide supporting reasons for your position.

There were 20 responses to this question. The majority of respondents either agreed with this proposal fully, or partly. 5 respondents disagreed with our proposal to introduce a deployable output of equal to, or exceeding, 80 million litres per day for water transfers.

Those who supported our proposal suggested that a deployable output of 80 million litres per day for water transfers was reflective of a nationally significant infrastructure project. This proposal was also welcomed in direct parallel to the thresholds and definitions currently contained within the Planning Act. Respondents also suggested they were pleased to see the qualification criteria under Section 28 of the Planning Act - transfers between different water company areas or between river basins - were to be retained.

Of the respondents who disagreed with our proposed amendments, concerns were raised that the introduction of deployable output for water transfers risked forcing smaller schemes into the development consent order (DCO) process and this, they felt, could discourage investment due to the high upfront costs associated with DCO. It was also suggested that water transfers should be a last resort after water demand and leakage has been reduced, and Integrated Water Resources Management (IWRM) prioritised.

Question 4: We propose introducing a new section to the Planning Act 2008 for desalination plants designed to deliver a deployable output of at least 80 million litres per day. Do you agree with our proposed definition for desalination projects? Please provide supporting reasons for your position.

More than half of respondents agreed with our proposal to introduce a new section in the Planning Act to include desalination plants designed to deliver a deployable output of at least 80 million litres per day. 20% of respondents had no firm view on this proposal and 25% disagreed with our proposal.

55% of respondents agreed with our proposal to introduce 80 million litres per day deployable output for desalination plants. Respondents drew attention to the need to

ensure consistency in size across all schemes; reservoirs, transfers and desalination, in order to avoid bias towards one type of scheme over another. They also highlighted that planning for desalination schemes is likely to be complex and contentious, and therefore a threshold of 80 million litres per day deployable output is proportionate as a nationally significant infrastructure project.

For those who disagreed with our proposal, some felt the threshold should be lower, while others felt it should be higher. The issue of demand and leakage reduction alongside IWRM was also raised.

Question 5: We propose to not include effluent reuse as a specific infrastructure type within the Planning Act 2008 definitions. Do you agree with our proposal to not include effluent reuse as specific infrastructure threshold? Please provide supporting reasons for your position.

When asked whether effluent reuse should be introduced as a nationally significant infrastructure project type, responses were more divided than any of the previous proposals. While 35% of respondents indicated that they had no firm view, 30% agreed with our proposal, with 35% disagreeing.

Those who agreed with our proposal to not include effluent reuse stated they felt introducing it was unnecessary because effluent reuse schemes are not technically a distinct infrastructure type and potential effluent reuse schemes are already covered under Section 28, water transfers, within the Planning Act.

Of those who disagreed with our proposal, it was suggested that effluent reuse should be introduced as a distinct nationally significant infrastructure project because as a resource, effluent reuse faces significant social barriers and therefore may only be successful if included.

Some respondents also disagreed because they felt effluent reuse has potential to provide a large source of water which is inherently resilient to climate change. There was also concern that not including effluent reuse would indicate a preference towards other types of schemes, and therefore may cause potentially valuable schemes to be overlooked, or create a preserve incentive for other defined schemes.

Government response

1. Delivery of new water resource infrastructure forms part of a 'twin track' approach to sustainable water resource management and securing resilience, through both demand management and new water supplies. We are planning to amend the definitions of nationally significant water resources infrastructure projects within the Planning Act 2008 so they are appropriate and representative of nationally significant water resources infrastructure. These amendments will create a level playing field for all scheme types defined as nationally significant. Alongside this, the National Policy Statement will set out the need for this infrastructure and the relevant government policy.

2. We will introduce deployable output for all scheme types. Deployable output is also used in WRMP's, and therefore is used widely across the water industry. We will also set a consistent output threshold of 80 million litres per day. This allows for schemes to be compared, and enables developers to select a scheme based on its merits in the specific context. We recognise the concern that different methodologies can produce different deployable output values for the same piece of infrastructure but this concern can be met by reference to guidance found within the Environment Agency's Water Resources Planning Guideline, which is updated regularly and accompanies the WRMP process.

3. We will add in desalination as an infrastructure type and use the thresholds proposed in the consultation for reservoirs, transfers and desalination. Introducing deployable output for reservoirs, while maintaining a potential hold back capacity, but amending it to 30,000 million litres, allows for comparison with other water infrastructure types. It also removes large volume reservoirs with low outputs but includes smaller volume reservoirs which are nationally significant due to their large outputs.

4. Introducing desalination will provide another water resource which can offer unique benefits when building resilience. Introducing this infrastructure type helps to avoid the creation of bias, or perverse incentives, towards certain infrastructure types and instead will allow developers to choose schemes which provide the greatest benefit in each specific context.

5. We will not add in effluent reuse as an infrastructure type to which the NPS applies. By design effluent reuse is likely to result in the transfer of effluent in order to be reused. Therefore an effluent reuse scheme designed to deliver water exceeding 80 million litres per day deployable output would qualify as a nationally significant infrastructure project. Section 35 of the Planning Act also allows for schemes which do not meet the thresholds and definitions but have national significance to apply for consideration.

Changes to the thresholds in the Planning Act 2008

Reservoirs

- **We will be increasing the volume held back to 30 million m^3 (30,000 megalitres)**. We will also be **including a qualifying figure of 80 megalitres per day deployable output.**
- This definition aims to include reservoirs with large volumes which are likely to be more resilient to longer drought periods and smaller reservoirs with a high daily output, which could be vital in maintaining supplies during short term drought or supply interruption.

Transfers

- For water transfers, **we will reduce the threshold from the current 100 million m^3 to developments which are expected to exceed 80 million litres per day deployable output.**
- This is broadly equivalent to 30 million m^3 per year. Developments would still need to enable the transfer of water (i) between river basins, (ii) between water undertakers' areas in England, or (iii) between a river basin in England and a water undertaker's area in England and must not relate to the transfer of drinking water.

Desalination

- We will be **introducing a specific definition for desalination plants which exceed 80 million litres per day deployable output.**
- Desalination schemes can be large complex schemes that offer unique resilience benefits to some of the most drought prone areas of the country. Although these schemes are energy intensive, it is anticipated that they will be used rarely during periods of drought or high demand, to ensure water supply needs can be met. The inclusion of desalination prevents bias towards only one or two infrastructure types.

Effluent reuse

- The case to include effluent re-use in the NSIP definition remains weak. The government recognises the important role of these schemes in providing resilience and protecting the environment. However**, we do not consider that the infrastructure required for these schemes needs, or will benefit from, a separate definition** in the Planning Act. Effluent re-use schemes that are considered to be nationally significant, could be directed into the NSIP regime.

Annex A: List of respondents

Affinity Water

Anglian Water

Canal & River Trust

Consumer Council for Water

EDF Energy

Friends of the Lake District

Group Against Reservoir Development

Northumbrian Water

RSPB

Severn Trent Water

South West Water

Thames Blue Green Economy

Thames Water

The Chartered Institution of Water and Environmental Management

United Utilities

Yorkshire Water

3 responses from members of the public

1 anonymous response