WORSHIPFUL COMPANY OF WATER CONSERVATORS

THINKPIECE ON THE INTERFACE OF WATER MANAGEMENT AND THE PROVISION OF THE NEW HOMES PROGRAMME

JUNE 2025

1 The Worshipful Company of Water Conservators ('WCWC') is a City of London Livery Company focussed on the long-term health of our water resources and the broader environment. Our members include senior professionals from water, environmental and related industries and regulators, along with others who share our concern for water and the environment. Our experience and knowledge ranges from the complexities of environmental sciences, through the application of engineering to deliver the goals identified by those sciences, and the subsequent management of the assets created. The WCWC's purpose is *promoting a diverse and sustainable environment.*

2 The WCWC has prepared this submission as it understands the need for many more homes. Is concerned about the impact on the water environment. It has identified 'pinch point' issues and suggested some ways forward, which are intended to help the New Towns Task Force. The confrontation of national water strategies and development strategies is high profile news, for example concerns on this issue in Buckinghamshire.

Battle begins over new homes approved in historic village without sewage capacity - BBC News

3 It appreciates that the Task Force might well be aware of all the points and takes the view that it is better to be told twice rather than not at all. Furthermore, it also appreciates that several of the points it makes, lie within a complexity of policies, regulations and multiple contributors. Hopefully the points it makes can help to form a framework to use in the programme of New Towns and minimise the impact on the environment.

SUMMARY

4 This summary provides an overview of a discussion of the issues and some suggestions. The underlying arguments supporting this summary are given in the longer paper.

5 The WCWC recognises that many of the challenges facing the New Towns Task Force require a resolution of the lack of connection of several national strategies and the need for review of several regulations. 'We are where we are' and this resolution may take too long for the work of the Task Force. The WCWC would be pleased, in due course, to set out what it suggests needs doing to prepare for post 2030.

6 All that the WCWC can offer on this, is to advocate a swift resolution and implementation of the provisions of the Planning and Infrastructure Bill, particularly in relation to the issues around nutrients in rivers and capacity for water supply and sewage treatment.

7 The WCWC suggests a New Town Delivery Forum led by the Task Force to include the Environment Agency, Natural England, Water UK and the Local Government Association to address issues like this. This suggestion has been accepted yet not progressed. It is suggested that a Delivery Forum should include these as well.

8 The Task Force will also find it useful to talk directly with the Water Companies and arms-length regional water resources organisations, such as Water Resources East. And to talk to the Future Homes Hub and the British Institute of Kitchen Bedroom & Bathroom Installation.

9 There are many Plans which affect the location of New Towns (and that is part of the complexity which needs sorting out). The WCWC has focussed on the value of Catchment Plans. And it does urge the Task Force to have a detailed discussion on these with the EA, (and possibly the Natural England). Catchment Plans should take account of other tangential impacts, such as increased gravel extraction, for which the WCWC is not aware of any discussions.

10 The WCWC points out that Water Resources Plans will be key in determining the location of New Towns; it has suggested that the new industries, such as those in the 'giga-economy', which have high water demands, could be located in coastal towns.

11 Some catchments are more stressed: firstly, in regard to nutrients and some with regard to water resources; others will be stressed in relation to the ability to absorb increased effluent discharges and remain with 'use criteria.' Others will be stressed due to flood risk. Building in a flood risk area is controversial and planning applications must prepare a Flood Risk Assessment under the Floods and Water Act of 2010. The high-risk areas as far as water resources are concerned are deemed as Water Stressed Areas. And the WCWC suggests a new concept of Stressed Drainage and Wastewater Treatment Management Plans. So, these can all be summarised as Stressed Catchments in a framework and mapped out. Development in these should be avoided, if possible but the opportunities may be rare. There needs to be a hierarchy in these areas of actions required in these areas – as for BNG and flood risk – i.e. with development avoided if possible. But if not possible then the developments much pay fully for mitigation measures (e.g. extra costs of increased infrastructure for sewage treatment and alternative water supplies) to avoid increased pressures in these catchments.

12 The problems of S106 of the Water Industry Act 1991 need to be understood much better. The 'Grampian' clause in planning permission, which allows development to continue, but the properties only occupied when the infrastructure is provided, does not seem politically adept. The system does need more flexibility, including the provision of Notified Items under the PR24 determination for unprovided developments.

13 This note does not explore the issues around Biodiversity Net Gain, but it is aware of the government's proposal to ease this requirement for smaller developments. The WCWC awaits consultation on this matter, but pro-tem considers that this ought not to be a universal easing, but a framework which allows easing where appropriate (it draws on the analogy of current proposed exemptions under Environmental Permitting Regulations) and that no development should cause Biodiversity Net Loss. It might suggest the concept of Biodiversity Net Zero in which there is neither gain or loss.

14 The suggestions by the WCWC draw as much as possible on what can be extracted out of the existing system rather than relying on changes.

Framework for Homes

For homes in Flood Risk Areas

- Buildings in flood zones should be constructed with flood-resistant materials and raised floor levels to protect against flooding.
- Water fittings for 110 l/p/d with incentives for 90 l/p/d as per the Ofwat scheme
- Ordinary water meters, maybe with a new incentive to install smart water meters
- Compulsory enhanced SuDS with no incentives as offered in company schemes
- 'Bag and bin it' compliant bathrooms and toilets for sanitary waste preferred

For homes in Water-Stressed Areas

- Compulsory water fittings for 90 l/p/d with no incentives as offered in the Ofwat scheme
- Compulsory smart water meters
- Voluntary SuDS, with incentives as per Company schemes
- 'Bag and bin it' compliant bathrooms and toilets for sanitary waste preferred

For homes in Stressed Catchments, apart from water stressed, e.g. nutrient neutrality and Stressed Drainage Plans

- Water fittings for 110 l/p/d with incentives for 90 l/p/d as per the Ofwat scheme
- Ordinary water meters, maybe with a new incentive to install smart water meters
- Compulsory enhanced SuDS, no incentives as offered in Company schemes
- 'Bag and bin it' compliant bathrooms and toilets required

For all other homes

- Water fittings for 110 l/p/d with incentives for 90 l/p/d as per the Ofwat scheme
- Ordinary water meters, except shared properties with smart water meters, with a new incentive for smart water meters in other properties
- Voluntary SuDS with incentives as per water company schemes
- Bag and bin it' compliant bathrooms and toilets for sanitary waste preferred
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The WCWC would be pleased to discuss these ideas

OVERALL STRATEGIES

15 The WCWC has repeated many times, as indeed have other organisations, that the diverse strategies of government need to be brought together. There is no coherent over-arching water use strategy, the NPPF and Industrial strategies are weak on water, there is a Planning and Infrastructure Bill causing some controversy on water management. For example, in addition to Defra, the Treasury, Department of Business and Trade and the Ministry of Housing, Communities and Local Government are involved. Defra's land use allocation consultation did not address failures in the land market – in particular failures of developers to pay fully CIL for their infrastructure costs including additional costs of water supply and sewage treatment. Everyone is waiting for the review of water management by the Independent Water Commission and PR24 / AMP8 has just started with some controversy on water prices as well; there is no clear signal of what the Government's Plan for Change will mean for water. But fixing this problem will not be quick enough to help the Task Force; it has to work with what is 'on the table' now. The WCWC suggests that this coordination needs to be addressed soon as possible as an enabler to the next programme of New Homes post 2030 and would be pleased to assist.

16 The WCWC suggests coordination and consultation between the Task Force and Ofwat, the Environment Agency and Natural England would be helpful, perhaps through a Delivery Forum. The WCWC has suggested a concordat between the Water UK and the Local Government Association to address issues like this. This suggestion has been accepted, yet is has not progressed. It is suggested that a Delivery Forum should include these as well. And the Task Force will also find it useful to talk to direct with the Water Companies and arms -length regional water resources organisations such as Water Resources East.

https://wre.org.uk/the-regional-plan/

17 The WCWC has offered the view that the way forward on water management will be a mix of strategic visioning and a focus on the numerous specific tasks that need to be addressed. So, for the time being this document will focus on a balance towards immediate specific tasks, and not to ignore strategies.

There are two aspects

- How to determine the location of New Towns
- And what to provide in those; to some extent the more demanding the circumstances of the location, the more demanding will be the provision of development facilities in individual properties

18 It is important that the provision of new developments is not just about housing (including flats etc) and its associated infrastructure, such as roads and water utility services, but it is also about the associated commercial infrastructure, such as shops, offices and factories which will also have a major impact on location.

19 For example, the government has proposed, as part of its Industrial Strategy, that there should be a focus on the production of hydrogen and the giga-economy, which would have implications for water resources. The WCWC has suggested that consideration be given to the location of these industries on the coast to use seawater and this could link into to the government's initiatives on coastal regeneration, creating new jobs for new communities. This links into the key issue of location.

https://www.gov.uk/government/publications/future-of-seaside-towns-government-response-to-the-liaison-committee-report/future-of-seaside-towns-government-response-to-the-liaison-committee-report

LOCATION

20 This note is not intended to provide any insights or commentary on the current evolution of spatial planning under the NPPF and Planning and Infrastructure Bill. It does note again that the NPPF is weak on water issues and so location, pro-tem, will probably be driven in part by current plans, such as Water Resources Plans. And it can offer some insights on how water and regional spatial planning worked before spatial planning was dropped.

21 For example, Anglian Water had integrated Water Cycle Studies (WCS) with Regional Spatial Strategies to ensure sustainable water management and support regional development plans. The key aspects of this integration included:

1. **Alignment with Local Plans**: Anglian Water's involvement in WCS ensured that water management strategies were consistent with local development plans and

strategies. This alignment helped in addressing the water needs of growing communities while considering environmental constraints.

2. **Collaboration with Stakeholders**: The process involved collaboration between various stakeholders, including local authorities, developers, and environmental regulators and other bodies. This collaborative approach ensured that water management solutions were well-coordinated and address the needs of all parties involved.

3. **Phased Approach**: The WCS were typically conducted in phases, with initial phases based on existing data and models, and subsequent phases involving additional surveys and data gathering. This phased approach allowed for a comprehensive understanding of water management needs and challenges.

4. **Focus on Sustainability**: The integration of WCS with Regional Spatial Strategies emphasised sustainable water management practices. This includes the implementation of measures to reduce water consumption, improved water quality, and enhanced the resilience of water infrastructure to climate change.

5. **Use of Digital Solutions**: Anglian Water has adopted digital solutions, such as digital twins, to enhance water management and support regional planning. These digital tools help in modelling and simulating water systems, enabling better decision-making and optimization of resources.

22 By integrating WCS with Regional Spatial Strategies, Anglian Water had ensured that water management practices support sustainable regional development and address the challenges posed by population growth and climate change A move back to Regional Spatial Strategies and the integration of water and spatial planning really will be welcome. When Anglian Water had this degree of clarity it was able to work with the local authorities, EA, developers and develop Water Cycle studies for all of the growth points. This work started in Corby which had a Development Corporation and that's where the template was designed. The attached document from 2005 gives a sense of the work done early on in Corby.

Corby Plan.pdf

23 The WCWC is not certain that a revival of this approach will be of immediate assistance to the Task Force as it may be too late and too slow for the immediate decisions, but is essential in the longer term .It does urge the Ministry and Defra to address this as a matter of priority and the WCWC recommends that central to this must be a clear relationship to catchment plans .

Catchment Planning

24 This raises the issue of the role of catchment planning as a responsibility of the EA, as set out in the Defra Plan for Water.

https://www.gov.uk/government/publications/plan-for-water-our-integrated-plan-for-delivering-clean-and-plentiful-water/plan-for-water-our-integrated-plan-for-delivering-clean-and-plentiful-water

25 In theory, these Plans embrace all the aspects of concern; they will impact on New Town developments which in turn will impact on Catchment Plans. Within the catchments is the vexed issue of Nutrient Neutrality, which has been the cause of some much controversy.

https://www.gov.uk/government/publications/nutrient-pollution-reducing-the-impact-on-protected-sites/nutrient-pollution-reducing-the-impact-on-protected-sites

26 Nutrient neutrality is a concept used in environmental planning to ensure that new developments, like housing projects, do not increase the amount of nutrients (like nitrates and phosphates) entering a water system. It involves demonstrating that any new nutrient load generated by the development is offset, either by reducing nutrients from other sources within the same catchment or by improving water quality on-site. This is typically done through measures like creating wetlands or buffer zones.

How it works:

- **Calculating the Nutrient Load:** Developers need to calculate the extra nutrient load that will be added to the water system due to the new development.
- **Mitigation Measures:** To achieve nutrient neutrality, developers must implement mitigation measures to offset this added load. This can be done on-site by improving wastewater treatment or off-site by reducing nutrient inputs from other sources within the same catchment.
- **Examples of Mitigation:** Common mitigation measures include creating wetlands to filter out nutrients, establishing buffer zones along rivers, or implementing land-use changes to reduce agricultural runoff.
- **Planning Permission:** By demonstrating nutrient neutrality, developers can secure planning permission for their projects without causing further harm to protected habitats and water bodies.

Why it's important:

- **Protecting Water Quality:** Nutrient pollution can lead to problems like excessive algae growth, reduced oxygen levels, and harm to aquatic life.
- **Habitat Protection:** Many protected habitats, such as Special Areas of Conservation (SACs) and Special Protection Areas (SPAs), are already struggling with the impacts of nutrient pollution.
- **Meeting Regulatory Requirements:** Developers in areas with protected habitats must comply with regulations that require them to demonstrate nutrient neutrality to avoid further environmental damage.

Areas affected:

- Nutrient neutrality applies to new housing developments in areas with protected habitats that are already in unfavourable condition due to nutrient pollution.
- This includes catchments around specific waterways like the Solent, Somerset, Eden Valley, and the River Camel.

Interim Solution:

- Nutrient neutrality is intended to be an interim solution while long-term strategies are developed to address the root causes of nutrient pollution.

- The government is taking steps to reduce pollution at source and restore protected sites, while also providing support for developers to meet mitigation requirements.

27 Catchments, which are vulnerable to the effects of nutrients, are designated as sensitive by the Secretary of State, in accordance with the power in Section 96C of the Water Industry Act 1991 to designate catchment areas as sensitive for phosphorus or nitrogen where a habitats site is wholly or partly in England is considered in an unfavourable condition by virtue of pollution from nutrients in water from one or both of those nutrients.

28 But there have been concerns over the execution of this strategy.

https://www.hbf.co.uk/policy/planning-policy/nutrient-neutrality/

29 The MHCLG has proposed a new concept of Environmental Delivery Plans and a Nature Restoration Fund to overcome the problems of the current system under the Planning and Infrastructure Bill.

https://www.gov.uk/government/publications/the-planning-and-infrastructure-bill/factsheet-nature-restoration-fund

The HBF has welcomed these proposals with some caveats.

www.hbf.co.uk/documents/14494/HBF_PI_Bill_April_2025.pdf

30 The WCWC has expressed some concerns in that the bureaucracy created may not deliver the objectives and has suggested that the concepts underlying the proposals would be delivered more effectively and efficiently by integration with more updated editions of nutrient management within catchment plans.

31 The WCWC cannot offer any help to the Task Force in terms of the way forward as this is in the responsibilities of a number of bodies, but it does urge the Task Force to have a detailed discussion with the EA (and possibly the Natural England) on what all these discussions and concepts mean right now in terms of planning. Catchment Plans should take account of other tangential impacts, such as increased gravel extraction, for which the WCWC is not aware if any reference to this.

Stressed catchments

32 Clearly some catchments are more stressed; firstly, in regard to nutrients and some with regard to water resources; others will be stressed in relation to other pollutants from various sources such as agriculture and transport and in particular constrained ability to absorb increased effluent discharge and remain with ‘use criteria’ due to in part to overstretched waste- water treatment capacity. Others will be stressed to due to flood risk Building in a flood risk area is controversial and planning applications must prepare a Flood Risk Assessment under the Floods and Water Act of 2010.

33 Building in areas at risk of flooding requires a cautious approach, prioritizing flood risk management and potentially avoiding development in areas with the highest risk. Local Plans should be supported by Strategic Flood Risk Assessments, and developments should be designed to avoid or mitigate flood risk while not increasing it elsewhere.

Key Considerations:

- **Flood Risk Assessments (FRA):**
  All planning applications for development in flood risk areas must include an FRA to demonstrate how flood risk will be managed.

- **Sequential Test:**
  Local Plans should apply a sequential test to prioritize development in areas with lower flood risk first.

- **Exception Test:**
  If a site can't be avoided due to housing needs, an Exception Test can be used, requiring justification for the development in a flood zone.

- **Flood-Resistant Materials and Construction:**
  Buildings in flood zones should be constructed with flood-resistant materials and raised floor levels to protect against flooding.

- **Drainage Management:**
  Plans must include measures to manage surface water and groundwater drainage to prevent flooding.

- **Vulnerability Classification:**
  The National Planning Policy Framework (NPPF) classifies development types based on their vulnerability to flooding, with more vulnerable developments (like residential areas) being prioritized for avoidance in high-risk areas.

- **Strategic Flood Risk Assessments (SFRAs):**
  Local Authorities should develop SFRAs to assess flood risk across their area and inform local planning policies.

- **Climate Change:**
  Developments should consider the impact of climate change on flood risk, including the potential need for relocating existing developments to more sustainable locations.

34 The high-risk areas as far as water resources are concerned are deemed as Water Stressed Areas.

https://www.gov.uk/government/publications/water-stressed-areas-2021-classification
https://assets.publishing.service.gov.uk/media/5a7c33a6ed915d7d70d1d409/water-stressed-classification-2013.pdf

https://mosl.co.uk/market-insight/market-performance/environmental-impact/water-stress-areas

35 These areas require more intense management of water use including the provision of compulsory metering.

36 Sewerage and sewage treatment planning is vested in Drainage and Wastewater Management Plans.

https://www.gov.uk/government/publications/drainage-and-wastewater-management-plans-guiding-principles-for-the-water-industry/guiding-principles-for-drainage-and-wastewater-management-plans

37 These form part of PR24. The WCWC suggests that the concept of 'stressed' could be applied to these DWMPs plans, wherein some plans are more vulnerable than others to the impact of housing development on - water treatment capacity and hence on the resulting discharges of raw sewages the recent increasing levels of which there are rising public concerns. This classification could be done in a fairly quick way without complicated systems of consultation and methodology development, simply by using common sense, for the purpose of New Town planning and this could take account of nutrient criteria and availability or constraints on sewerage and sewage treatment capacity.

38 All of these issues highlight the importance of a community of understanding with the EA understanding the role of stressed catchments and the WCWC suggests that a Stressed Catchment Framework with maps would be very helpful. And wherever possible a New Town should be located in a non- stressed catchment, although the opportunities may be rare. A hierarchy of actions is required in these areas – as for BNG (see below) and flood risk – i.e. with development avoided if possible. But if not possible, then the developments much pay fully for mitigation measures (e.g. extra costs of increased infrastructure for sewage treatment and alternative water supplies) to avoid increased pressures in these catchments.

Biodiversity impact

39 The WCWC shares the commitment that any development must not cause biodiversity loss. But it is also aware that the notion that development should act as a vehicle for biodiversity gain has caused some controversy. Biodiversity Net Gain (BNG) is a UK government initiative, enshrined in the Environment Act 2021, that aims to ensure development projects leave the natural environment in a measurably better state than before. It mandates developers to provide at least 10% more biodiversity value on or off-site than is lost due to development.

https://www.gov.uk/guidance/understanding-biodiversity-net-gain

40 The WCWC is aware that the government is considered easing this commitment for smaller developments.

Government backs SME builders to get Britain building - GOV.UK

Such an approach has faint echoes of other government proposals for exemptions from specific environmental permits, for example, small water discharges with minimal environmental impact.

20250408_ConDoc_EPRExemptionsReform.pdf

41The WCWC does not intend to set out its views in detail on this matter in this note and awaits consultation. But it is not convinced that this will be quick enough to assist the Task Force in its immediate tasks.

42 In planning there is the principle of a Mitigation Hierarchy and in England BNG is required by law as explained earlier and this might involve Environmental Offsetting. The WCWC will be considering whether the option for lifting BNG should be subject to risk rules analogous to

those being discussed for permit exemptions. It might also consider the notion of Biodiversity Net Zero wherein there is neither gain or loss and the Task Force might give this some consideration.

THE INTERFACE OF DEVELOPER AND WATER SERVICE PROVIDER

43 This draws on the provisions of the Water Industry Act 1991, and the Building Regulations 2010 and on the Floods and Water Management Act 2010.

44 Schedule 3 of the 2010 Act provides for rainwater to be dealt with by sustainable drainage systems. This has been made mandatory in Wales but is still voluntary in England in spite of universal pleas for implementation to both this and the previous government (and when it was first discussed for implementation the provisions were criticised for being overly complex). It is doubtful that even if there is a change of attitude that this could be achieved in a time scale of help to the Task Force.

45 This links to the strategic objectives for a New Town in which the impact of individual properties, are brought together in the concepts of ‘sponge cities’ and ‘smart water communities’, which fit in with nature-based solutions espoused by the WCWC. The WCWC hopes that these principles are embedded in the overarching principles for New Towns.

46 Under the Water Industry Act 1991, water companies have a statutory duty to supply water to households but they do not have such a duty to supply water to non- household properties .When submissions are made by water companies as part of price reviews to include such supplies , they can be rejected .But if the obligation was made mandatory this problem would not arise , conversely this may be considered as an extra burden on water companies. The WCWC has suggested this, with the caveat that an applicant could Appeal to Ofwat if an application for supply is refused.

47 It is matter of substance which needs resolution, again this will not be resolved in time for the Task Force, and it should be aware of this issue. The WCWC suggests that it would be good if the Task Force (or the MHCLG) could come to an agreement with Ofwat would take an empathetic view of any submission of a Notified Item requiring a variation of PR24 regarding this matter.

48 Another issue which has been on the table for some time is the right of developers to connect to sewers under S106 of the Water Industry Act irrespective of whether the sewers can cope; water companies are not statutory consultees in planning (neither is the EA). In a landmark case the Supreme Court ruled in 2009 that Welsh Water was obliged to deal with any discharge that was made into its sewers under section 106. If consequential works were required to accommodate the increased load on the public sewer, the cost of these works fell on the sewerage undertaker, and not the developer. But there is an Appeal process under Section 106 under the jurisdiction of Ofwat if a water company refuses permission; this needs to be updated to bring it into line with the procedure for appeals to Ofwat for refusal of consent to discharge to a sewer.

49 In practice, Local Planning Authorities (LPAs) ask the water company if they can supply the water and sewage treatment for a proposed development? To which they have to answer yes since they have a statutory duty to do so – subject to any possible exemptions above which are difficult to use. Consequently, the LPAs close down any discussion on water problems that the development would cause

50 Instead the LPAs should ask the water companies to set out what are the capacity problems and additional costs for supplying the water and sewage treatment for the proposed development, which could be subject to independent audit so as to provide the basis for developer charges to cover fully these additional costs – as explained in the next section. This links into the functioning of Drainage and Waste-water Management Plans and how well these so sit alongside the planning processes (as discussed earlier). And Spatial Plans will also have to link with the Drainage Plans Whether or not this is helpful to the Task Force now, it is certainly a matter which needs resolution in the longer term.

Developer charges

51 At the heart of the interface between water services and developers are developer charges. These are distinct from connection charges which cover the cost of physically connecting property to the water and wastewater network, whilst infrastructure charges are designed to contribute to the overall capacity of the network to accommodate new connections.

52 Developer charges, also known as developer contributions, are fees or obligations imposed on developers to mitigate the impact of development, particularly in areas related to infrastructure and environmental concerns. These charges can take various forms, including financial contributions to local authorities or infrastructure projects, or non-financial obligations like building affordable housing.

Types of Developer Charges:

- **Infrastructure Charges:** These charges are used to fund the infrastructure necessary to support new developments, such as water and sewer connections. This charge is permitted under Section 146 of the Water Industry Act 1991. Infrastructure charges need to be paid by anyone who wishes to build or develop a property and are used to cover the cost of the extra demand on our existing network.

- **Environmental Charges:** These charges may be linked to environmental schemes or initiatives, like those related to water efficiency or reducing surface water discharge.

- **Community Infrastructure Levy (CIL):** This is a levy that developers pay to the local authority, contributing to the cost of infrastructure projects that benefit the community.

- **Planning Obligations (Section 106 Agreements):** These agreements can include financial contributions, affordable housing provisions, or other requirements to mitigate the impacts of development.

Specific Examples:

- **Cambridge Water:** Offers infrastructure charges for connecting properties to their water and sewer network.

- **Yorkshire Water:** Has a range of developer services charges, including infrastructure, requisition, and connection charges.

- **Anglian Water:** Charges infrastructure fees and also has a Sewerage Environmental Incentive Scheme for brownfield developments, according to their website.

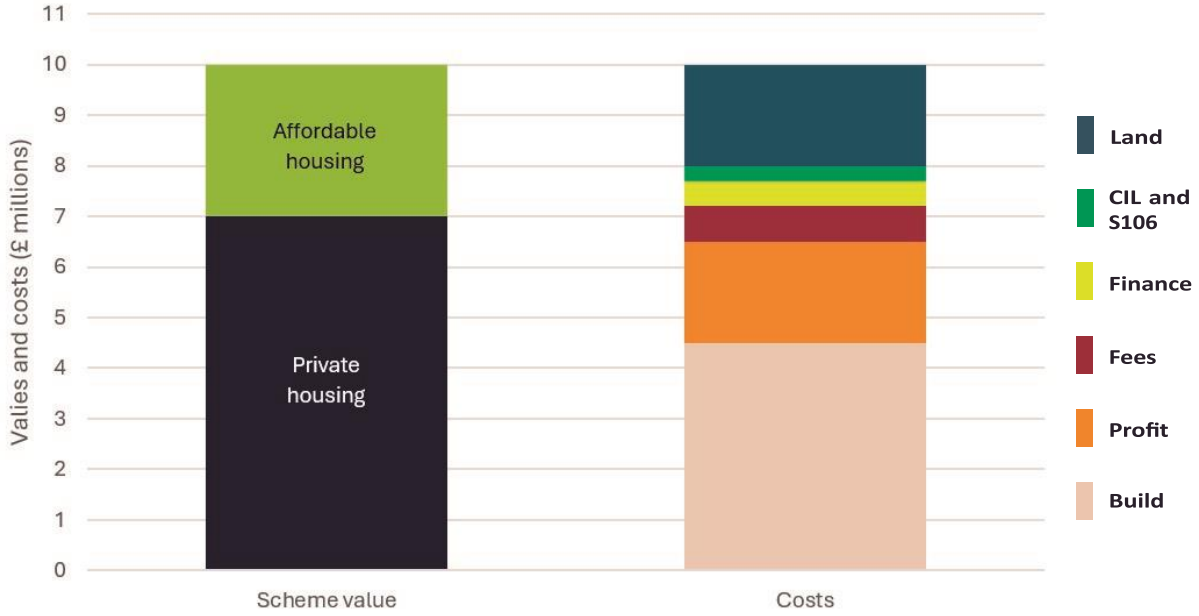
Purpose of Developer Charges:

- **Mitigating Impacts of Development:** Developer charges help to ensure that new developments do not overburden existing infrastructure or negatively impact the environment.

- **Supporting Infrastructure Investment:** These charges contribute to the financing of new infrastructure projects that are necessary to support development and growth and overcome constraints to water supply and sewage treatment capacity that the development would exceed.

- **Funding Community Benefits:** In some cases, developer contributions may be used to fund other community benefits, such as affordable housing or community facilities.

53 The problem is that recent developer charges fail to cover the costs of for all infrastructure requirements and especially water. The figure below shows the low level of the current CIL payments for Welwyn Hatfield Borough Council's Local Plan which would appear to be insufficient to cover their full infrastructure costs. The figure also shows that the CIL payments are much lower than the premia paid for redevelopment of agricultural land. The WCWC suggests that the New Towns Task Force needs to collate data on current levels of CIL payments compared with full costs of infrastructure requirements and also in comparison with premia currently paid for redevelopment of agricultural land in their proposed locations to provide a full picture on this matter.



Welwyn Hatfield Community Infrastructure Levy Viability Study. BNP PARIBAS (2023)

https://democracy.welhat.gov.uk/documents/s22723/ Appendix%20A%20-%20Welwyn%20Hatfield%20 CIL%20Viability%20Report%2018Oct23.pdf

54 Another problem in practical terms is that water infrastructure development in a particular site cannot necessarily match the speed of housing development, in spite of the provision of these charges .So there is a n opportunity to deal with this in which planning permission can be made for the new homes subject to a condition preventing any part of the development from being occupied unless and until confirmation has been provided to the council that wastewater upgrades have been completed.

55 Occupation clauses, like this, are known as "Grampian conditions", after a 1984 court case, and are often used when work is required that is beyond the developer's control. The notion that properties are only occupied when the infrastructure is provided, does not seem politically adept. They are increasingly common as local authorities grapple with the challenge of building new homes in areas where the sewage works are at capacity. However, once homes with planning permission are built, water companies are obliged to connect them to the sewage network, regardless of its capacity. The system does need more flexibility, including the provision of Notified Items under the PR24 determination for unprovided developments.

Achieving planning targets by offsetting developer charges with incentives

56 The concept of setting targets is rather complex. As a general principle, in the simplest of concepts of achieving policy goals, there are two routes:

- Set statutory targets with 'policing' and penalties for non-compliance
- Set voluntary targets with economic incentives to achieve goals
- These can be rendered more complex with the addition of the additional complexity of Mandatory and Voluntary Codes of Practice

57 In essence, the basic Building Regulations require 125l/p/d; the Government's Water Efficiency Road Map and Ofwat's strategy look forward to 110/l/p/d.

National Framework for Water Resources 2020: meeting our future water needs - GOV.UK

https://www.gov.uk/government/publications/a-review-of-englands-draft-regional-and-water-resources-management-plans/a-summary-of-englands-draft-regional-and-water-resources-management-plans

https://www.gov.uk/government/publications/plan-for-water-our-integrated-plan-for-delivering-clean-and-plentiful-water/plan-for-water-our-integrated-plan-for-delivering-clean-and-plentiful-water#chapter-3-securing-a-plentiful-supply-of-water

58 *'In the Secretary of State's view ,requirement G2 will be met for new dwellings if: a. the estimated consumption of wholesome water resulting from the design of cold and hot water systems (calculated in accordance with the methodology set out in Appendix A to this approved document and taking into account the use of any alternative sources of water provided in accordance with G1(2)) is not greater than the standard set by the Secretary of State of 125 litres/person/day of wholesome water or b. 110 litres/person/day where the optional requirement applies*'.

The Building Regulations 2010 Sections 36 and 37
Approved Document G: Sanitation, hot water safety and water efficiency

59 In G2, 2.12, '*Where the fittings approach is used, the notice given under regulation 37 should state "Less than 110 litres/person/day using fittings approach". Table 2.2 Maximum fittings consumption optional requirement level Water fitting Maximum consumption WC 4/2.6 litres dual flush Shower 8 l/min Bath 170 litres Basin taps 5 l/min Sink taps 6 l/min Dishwasher 1.25 l/place setting Washing machine 8.17 l/kilogram.'*

60 So, there is a mixed approach with an incentive scheme in which water companies are obliged to offer, in effect, a rebate to developers if certain facilities are provided which address issues of water consumption and environmental impact. The latest version of a national scheme was implemented in April 2025, following an extensive consultation to which the WCWC replied. The national framework only addresses the detail of water supply and not the detail of discharges because SUDS are not mandatory; company schemes do.

Environmental-Incentives-Common-Framework-–-English-New-Connection-Rules-–-effective-April-2025.pdf

EICF-consultation-conclusions.pdf

61 An example is given for Anglian Water:

https://www.anglianwater.co.uk/developing/help-and-advice/services-and-charges/environmental-incentive-scheme/

62 The water efficiency incentives framework targets water fittings consistent with 90l/p/d such as the inclusion of Enhanced effectiveness of flush WC (including Air assist) + Enhanced spray (including Air boost) shower.

63 The WCWC suggests that a framework developed by the Task Force could provide that all developments must comply with the fittings approach consistent with 110 l/p/d as a minimum leaving local water companies to offer incentives for lower consumption. In Water Stressed Areas the expectation would be for developers to comply with the requirement for water fitting consistent to be consistent with 90 l/p/d without incentives to do so.

64 The WCWC also suggests that the framework would continue with the notion that all properties should be required to comply with basic definition of SUDS and incentives offered to comply with what the WCWC defines as enhanced SUDS. But in Sewage Stressed Areas, developers should be required to comply with enhanced SUDS without incentives.

65 The WCWC suggests that ‘Water Ready. A report to inform HM Government’s roadmap for water efficient new homes’ by the Future Homes Hub in April 2024 will be of value.

METERING

66 All new homes must have water meters. There is a drive in the National Water Resources Strategy to install smart water meters:

https://www.gov.uk/government/publications/a-review-of-englands-draft-regional-and-water-resources-management-plans/appendix-a-smart-metering-in-draft-water-resources-management-plans

67 The WCWC has suggested that smart water meters should be installed in developments in Water Stressed Areas. It would also make sense to have them installed in Sewage Stressed Areas. It may well be that it would be of value in installing them in shared service properties such as flats and maisonettes.

MANAGING SANITARY, HYGIENE AND COSMETIC WASTE

68 The issue of sewers being blocked by used sanitary, hygiene and cosmetic products and thus causing sewer overflows is well known. The WCWC has advocated a full strategic response to the problem, as indeed have many organisations. As of now, the government has not developed a national 'bag it and bin it' strategy and has left it to water companies to change customer behaviours and cope with the problems.

69 The experience of some WCWC members is that blockages are more likely to occur in new estates, where the disposal of such products is likely to be higher. The strategy advocated by the WCWC envisages bathrooms being equipped with disposal bag dispenser and used product bins. It would be very helpful if this concept could be included in the New Town delivery framework. The WCWC suggests that a conversation with the providers would be worthwhile. For example, the British Institute of Kitchen Bedroom & Bathroom Installation:

https://bikbbi.org.uk/

and the Bathroom Manufacturers Association (BMA).

http://www.britassoc.org.uk/bathroom.htm

FRAMEWORK FOR HOMES

70 For homes in Flood Risk Areas

- Buildings in flood zones should be constructed with flood-resistant materials and raised floor levels to protect against flooding.
- Water fittings for 110 l/p/d with incentives for 90 l/p/d as per the Ofwat scheme
- Ordinary water meters, maybe with a new incentive to install smart water meters
- Compulsory enhanced SuDS with no incentives as offered in Company schemes
- 'Bag and bin it' compliant bathrooms and toilets for sanitary waste preferred

71 For homes in Water Stressed Areas

- Compulsory water fittings for 90 l/p/d with no incentives as offered in the Ofwat scheme
- Smart water meters
- Voluntary SuDS, with incentives as per Company schemes
- 'Bag and bin it' compliant bathrooms and toilets for sanitary waste preferred

72 For homes in Stressed Catchments, apart from water stressed, e.g. nutrient neutrality and Stressed Drainage Plans

- Water fittings for 110 l/p/d with incentives for 90 l/p/d as per the Ofwat scheme
- Ordinary water meters, maybe with a new incentive to install smart water meters
- Compulsory enhanced SuDS, no incentives as offered in Company schemes
- 'Bag and bin it' compliant bathrooms and toilets required

73 For all other homes

- Water fittings for 110 l/p/d with incentives for 90 l/p/d as per the Ofwat scheme
- Ordinary water meters, except shared properties with smart water meters, with a new incentive for smart water meters in other properties

- Voluntary SuDS, with incentives, as per water company schemes
- Bag and bin it' compliant bathrooms and toilets for sanitary waste preferred

APPENDIX 1: WATER RESOURCES PLANS

In 2025, water resources plans in England focus on addressing increasing water demand and environmental pressures while ensuring a sustainable and secure water supply for the future. These plans involve reducing water leakage, implementing new water supply schemes, and working with regional water resources groups. They also incorporate considerations for climate change, drought resilience, and environmental sustainability.

Key aspects of water resources plans in 2025:

- **Water Resources Management Plans (WRMPs):** Water companies are required to prepare WRMPs at least every five years, outlining how they will ensure a reliable and sustainable water supply.
- **Regional Water Resources Groups:** Water Resources North (WReN) and Water Resources East (WRE) work with water companies, the agricultural sector, and other water users to develop cross-sector plans for water management.
- **Reducing Water Leakage:** Water companies are aiming to significantly reduce water leakage from their networks, with some companies targeting a 55% reduction in leakage by 2050.
- **New Water Supply Schemes:** Some plans focus on developing new water supply schemes to meet growing demand and ensure sufficient and sustainable water resources for the future.
- **Demand Management:** Water companies are also focusing on managing water demand through various strategies, including promoting water efficiency and incentivizing water conservation.
- **Environmental Considerations:** Plans are being developed with an emphasis on reducing environmental impact and ensuring water resources are sustainable for the long term.
- **Climate Change Adaptation:** Water companies are preparing for the impacts of climate change, including increased temperatures and changing rainfall patterns, by adapting their plans and infrastructure.
- **Bid Assessment Framework:** Water companies are also introducing bid assessment frameworks to encourage competitive bidding for water resources, demand management, and leakage services.
- **Regional Plans:** Regional water resources plans are developed through collaboration between water companies and other large water users to address the region's water needs, reflecting growth, climate change, and the environment.
- **Abstraction Limits:** Plans are being developed to reduce abstraction from water bodies at risk of further deterioration to improve environmental conditions.
- **National Framework:** The government has indicated it will publish its next iteration of the national framework for water resources in 2025

APPENDIX 2: The guiding principles document sets out the priorities and expectations for drainage and wastewater management plans (DWMPs) of the UK and Welsh Governments' and the environmental and economic regulators' (including Natural Resources Wales (NRW), Environment Agency and Ofwat).

These plans are currently in their first 5-year cycle and are being produced on a non-statutory basis for early 2023 in England and Wales. This document also:

- complements the Water UK framework for the production of drainage and wastewater management plans which water and sewerage companies are using to develop their plans

- seeks to provide water and sewerage companies, other risk management authorities (RMAs)[footnote 1] and drainage asset owners and managers with a general checklist document, which will assist them by setting out what the governments and regulators expect to be included in the plans

- sets out a vision of expectations for DWMPs to achieve their full potential and learning from the water Resources management plans (WRMPs) and their successive planning cycles

We ask that all participants in the planning process including companies, local authorities (this includes their planning, highways and all other relevant departments) other RMAs and drainage asset owners and managers, participate fully in making the first, and then subsequent, cycles of DWMPs a success

In doing so, we recognise that key stages of the first cycle of DWMPs have coincided with the coronavirus (COVID-19) pandemic and have presented some challenges, such as participants' availability to engage.

This first cycle of DWMPs however remains a critical planning tool to inform the Price Review 2024 (PR24), so while opportunities for actions such as engagement and cocreation may have been limited in 2020, we ask the industry to consider innovative ways to engage with such participants and partners so some cocreation can take place.

This document can also help provide water and sewerage companies' executive boards with a high-level overview of the 'governments and regulators' expectations against which to assess plans as part of their formal sign off processes.

The inclusion of this planning process in the Environment Act will make it statutory in both England and Wales and underlines the importance that both the governments are placing on it as a current and future tool for drainage and wastewater management policy. The governments and regulators welcome companies' early collaboration with them as plans develop.

For Welsh companies the Welsh Government also asks that those companies demonstrate how they have developed their DWMPs in line with the behaviours set out in the Wellbeing of Future Generations Act 2015, and how they will contribute towards the wellbeing outcomes, and their obligations under the Environment (Wales) Act 2016.

Our key guiding principles

We expect DWMPs to meet these 6 key principles:

1. Be comprehensive, evidence based and transparent in assessing, as far as possible, current capacity and actions needed in 5, 10 and minimum 25-year periods considering risks and issues such as climate change. Plans should also align, as far as possible, with other strategic and policy planning tools.

2. Strive to deliver resilient systems - that will meet operational and other pressures and minimise system failures.

3. Consider the impact of drainage systems on immediate and wider environmental outcomes including habitats and in developing options for mitigation to include consideration of environmental net gain and enhancement

4. Be collaborative - recognising the importance of sectors working together to consider current and future risks and needs and to deliver effective solutions, setting out how they will do this, how they have engaged with and responded to stakeholders.

5. Show leadership - in considering the big picture for an organisation's operational capacity to develop and deliver the plan, and mindful of linkages with other strategic planning frameworks.

6. Improve customer outcomes and awareness and that solutions and actions provide both value for money and consider societal benefits

For Welsh companies, DWMPs should also demonstrate how they have been developed in line with the behaviours set out in the Wellbeing of Future Generations Act 2015, and how they will contribute towards the wellbeing outcomes. DWMPs should also set out how they will help the water companies and their stakeholders deliver their obligations under the Environment (Wales) Act 2016.