



Anglian Water's Non-Domestic Water Requests Policy

June

2023

1.0 Executive Summary

The East of England is the driest part of the country and climate change is making summers hotter and drier. To help protect the environment, the Environment Agency (EA) is reviewing abstraction licences and reducing the amount of water that businesses including Anglian Water can abstract from the environment. As a result, **the gap between the demand for water and our supply (aka headroom) has shrunk.**

This situation is reducing our ability to be flexible with new requests to supply non-domestic connections which were not planned for in the Water Resources Management Plan (WRMP). However, where our supplies allow, we will endeavour to help businesses in whatever way we can to meet their needs and continue to serve the communities and economies they support.

To respond to both this challenge, and a growing population, Anglian Water is building a new strategic pipeline to move water around our region. We have also developed plans to build two new reservoirs to increase water supply. These solutions will take time to deliver, and so it is more crucial than ever that all homes and businesses are water efficient, to reduce the overall demand for water, to meet government targets and to ensure there is enough water to go around.

2.0 Background

2.1 Anglian Water

Anglian Water serves 20% of the total landmass of England and Wales and covers the largest geographical area of any water company. The Anglian Water region is the driest area in the country, receiving around two thirds of the average national rainfall. The population in the East of England has increased by 8.3% between 2011-2021, according to census data, which is the highest rate of growth in the UK. At Anglian Water we are committed to catering for this population growth and subsequently enabling growth in the economy. Agriculture and agri-food processing are vital industries in the East of England and require high volumes of water.

2.2 The EA's Abstraction Reduction Strategy

Water abstraction from the environment provides essential water for public water supply, agriculture and industry. However, unsustainable levels of abstraction impact the ecology and resilience of our rivers, wetlands and aquifers. Having the right flow in our rivers and protecting groundwater levels is essential to supporting healthy ecology, enhancing natural resilience to drought, and ensuring that rivers continue to support recreation and wellbeing. The Environment Agency (EA)'s abstraction reduction strategy is therefore essential for the health of our environment, but it does present some challenges for both ourselves and other businesses, especially as changes have been made to the EA's approach since we developed our last long term water resources management plan.

We also have three public water supply groundwater licences which require closure by June 2024. A further two public water supply groundwater sources have been identified at potential risk of closure

by 2030. This, as well as the other pressures on our water supply, adds even greater pressure to the gap between demand for water and our ability to supply.

2.3 Water Resource Management Plans (WRMPs)

Every 5 years water companies create a WRMP which sets out how water companies intend to achieve a secure supply of water for customers and a protected and enhanced environment. This includes consideration of which abstraction licences are being reduced or removed and predictions for requirements from new homes and businesses. There have always been requests for new or increased water connections after the WRMP has been drafted and we build in an element of flexibility into the plan for unforeseen changes. However, due to the changes in the EA's abstraction reduction strategy the number of requests received by Anglian Water for non-domestic connections has increased in the last year as business are also having their licences reduced or revoked, or simply cannot access any other source of water. At the same time we have seen new requests related to the 'onshoring' of production following Brexit and other supply chain issues, as well as new demands relating to net zero ambitions.

3.0 How can Anglian Water Help?

Anglian Water has a statutory duty to supply water for domestic purposes. This means we are legally obliged to supply water to all household properties as well as any domestic requirements (e.g., drinking water, hand-basins, toilets and showers) of non-household properties. In many cases, domestic demand will be the only requirement for non-household properties (e.g., schools, hospitals, offices, shops and hairdressers). Non-domestic demand refers to water use for industrial processes, (e.g., agri-food production or car washes), and there is no legal requirement for us to supply for this type of water usage where it might put at risk our ability to supply water for domestic purposes.

Although Anglian Water do not have a statutory obligation to supply for non-domestic purposes in these circumstances, we factor this into our WRMP and we do everything we can to support businesses in the region, with the help of the water retail market. However, as described above, the situation is now changing, due to water supply being squeezed by abstraction reduction, climate change and a fast-growing population. Therefore, where new and unplanned non-domestic requests are received, there might be the need to decline in order to protect existing supplies and the environment. However, we are always willing to provide practical support and advice on navigating the regulation and the EA's abstraction reduction strategy to businesses in our region.

4.0 What can your water retailer do to help?

The water retailer is the main point of contact for any water related issues or advice a business might need. We would always advise businesses contact them first and foremost to discuss water supply. Water retailers can provide information, including on how to become more water efficient and make the water you already have go further.

5.0 What can businesses do to help?

The cheapest and most sustainable solution to the region's water resource problem is to collectively reduce our water consumption. Water efficiency measures can be an extremely effective way to free up water resources for business expansion or new connections. Anglian Water have an ambitious smart metering roll out programme across the region for all homes and businesses which help customers change their behaviour and become more water efficient. For our largest business customers, we offer smart meter data down to 15-minute intervals.

Water efficiency audits should be undertaken before new water supplies are requested. This could include installing water efficient devices (e.g., aerated taps and shower heads, low flush or air flush toilets) and efficient white goods (e.g., dishwashers and washing machines). Water demand can also be reduced through fitting smart meters, which measure water usage and provide regular readings, helping to identify leaks and tracking water consumption. Meters can also help support and encourage behavioural change.

In many cases, water reuse can also be a good option for reducing demand for water. Water reuse generally refers to the capture, treatment (if required) and use of alternative water supplies for non-potable purposes. It includes rainwater and surface water harvesting, greywater recycling and wastewater recycling. Water reuse technologies have the potential to save significant amounts of water, especially in situations where non potable water could be used in production.

6.0 What we need from government?

There are several things Anglian Water is calling on the government to do to help address this challenge and protect water resources:

1. Include every sector in a national campaign to reach the 20% water demand reduction target published in the Environment Act 2021.
2. Introduce a mandatory water efficiency labelling system for water using products, similar to the scheme already in place for energy using products.
3. Tighten building regulations and enforcement so that new homes are built to ambitious water efficient standards, as set out in the government's EIP (Environment Improvement Plan) 2023.
4. Make a commitment to link water efficiency with existing and new energy efficiency policies and retrofitting programmes.
5. Recognise the need to create new headroom to enable non-domestic growth.
6. Support us in delivering large scale strategic water resources options (for example, Anglian Water's two new reservoirs and new pipelines).