

# **mua Water Drought Plan**

**(Preconsultation - Draft Version)**

**2024**

## Customer summary

All our drinking water is derived from the environment and is provided for, one way or another, by rainfall. We share this precious resource with the environment, wildlife, farmers and companies who use water for manufacturing.

It only takes a prolonged period of dry weather (the first of the four stages of drought) for the environment to become parched.

News articles of cracked and dry riverbeds, or the reemergence of buildings otherwise hidden beneath the man-made lakes and reservoirs across the United Kingdom and around the World tell the story of the limited nature of water sources used for drinking water supplies and how quickly supplies can be depleted.

In the UK we have become accustomed to using drinking water supplies without much thought. However, in recent times we have seen properties built to modern water conserving standards and the use of meters to help drive down excessive water use, such as leaving the tap running whilst washing up or brushing our teeth.

During times of drought, we can all focus our approach to water usage and conserve more through efficient use of water so that the environment, wildlife, food production and manufacturing doesn't suffer, like we would if the environment became so parched that there was no water to abstract.

A drought plan is a detailed strategy put in place by water companies to manage water shortages during prolonged dry periods, including during the winter months which would otherwise be the normal time for water systems to recharge and replenish.

Drought plans include various triggers, like rainfall levels, and reservoir storage, to determine when to implement water-saving measures. Plans ensure that water is used efficiently and fairly during droughts, helping to protect our water supply for everyone's needs and safeguard from not having enough water if drought evoking conditions prevail.

During periods of prolonged dry weather, we will work along side the relevant incumbent water company together with other stakeholders to communicate with you about the prevailing outlook and steps you can take to prevent the ratchetting up through the escalating levels of severity towards an emergency shortage of water.

With each reduction in the amount of water that can be abstracted from the environment there is a corresponding increase in the level of severity of drought – each with its own proportional set of actions and responses; the thrust of which are towards water conservation and efficient use.

We will communicate with you every step of the way, to ensure that you are able to take the actions you can to ultimately protect the environment, wildlife and maintain the vital supplies of drinking water whilst there is little to no rain to replenish stocks to normal levels.

## Document control

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## Background

Drought plans are strategic documents developed by governments, organisations, or communities to mitigate the impacts of drought on water resources, agriculture, and society.

These plans typically outline measures to monitor, manage, and respond to drought conditions, including water conservation strategies, drought forecasting and early warning systems, emergency response protocols, and communication strategies. Drought plans aim to enhance resilience, reduce vulnerability, and ensure sustainable water management during periods of water scarcity.

Droughts have the potential to cause significant harm to public water supplies and the environment. Therefore, it is crucial for the government to prioritise planning and enhancing resilience to droughts as part of its goals to ensure the delivery of secure, reliable, sustainable, and affordable water supplies.

This approach also emphasises the importance of valuing nature and fostering a connection between people and the environment.

## Purpose

The purpose of this document is to provide colleagues with a plan to follow that proactively addresses and controls the impacts of drought on water resources, agriculture, and society. It will help us to discharge our duty to supply adequate quantities of wholesome water during a period of drought. It will also help to coordinate efforts among stakeholders, provide guidance for decision-making, and facilitate effective communication during drought events.

## Scope

Droughts are caused by a period of low rainfall which has the potential to impact, agriculture, the broader environment and our ability to provide an adequate drinking water supply.

The Environment Agency use four stages to describe and manage our response:

1. Prolonged dry weather – this period is characterised as the early stages of drought where we find there has been a period of dry weather and this is impacting on river flows, groundwater levels and water levels in lakes and reservoirs.
2. Drought
3. Severe drought
4. Recovering from drought.

## Regulations and Guidance

As a licenced water undertaker, we have a duty to prepare, publish and maintain a drought plan under Sections 39B and 39C of the Water Industry Act 1991, as amended by the Water Act 2003 and in accordance with the Drought Plan Regulations 2005 and the Drought Plan (England) Direction.

Section 39B of the Water Industry Act 1991 provides as follows:

- (1) It shall be the duty of each water undertaker to prepare and maintain a drought plan.
- (2) A drought plan is a plan for how the water undertaker will continue, during a period of drought, to discharge its duties to supply adequate quantities of wholesome water, with as little recourse as reasonably possible to drought orders or drought permits under Chapter 3 of Part 2 of the Water Resources Act 1991.

The Drought Plan (England) Direction 2020 prescribes matters that must be addressed in a water undertaker's drought plan:

3. Matters to be addressed in drought plans		
(1) A water undertaker must address the following matters in its drought plan:		
Regulation	Requirement	The following Sections describe how we will communicate in a clear and timely way during a drought with, customers, partners and other interested groups:
(a)	how the water undertaker's management structure will manage, communicate and make decisions when using its drought plan;	This matter has been dealt with via Table 2 – Roles and Responsibilities together with the information in Section 5 about customer communications.
(b)	the drought management measures that a water undertaker expects to take to maintain supply for the onset, duration and abatement of all potential droughts covered by its plan;	A helpful outline summary can be found in Table 2 – Roles and Responsibilities together with the information in Section 5 about customer communications.  However, the main detail is found in Section 3 – Drought Actions
(c)	how the sequencing of measures has been designed to limit impacts on customers and the environment;	Section 3 – Drought Actions and Section 5 about customer communications describe the sequencing and escalatory nature of our approach designed to limit impacts on customers and the environment;
(d)	the magnitude and duration of the drought scenarios against which the drought plan has been tested to provide security of supply;	In Section 8 of our plan, we discuss our approach to headroom within the Bulk Supply Agreements and the basis for the level of headroom applied.

		Within our WRMP we test various scenarios to ensure the supply of water is secure in all but the most extreme situations.
(e)	the permits, orders and any other authorisations that the water undertaker expects to need in order to implement the drought management measures in its drought plan including mitigation and prevention measures;	These matters are addressed in Section 3 – Drought Plan
(f)	any pre-application steps agreed to ensure that the water undertaker is able to make any necessary applications in a timely manner to those bodies responsible for granting permits, orders and any other authorisations during the onset, duration and abatement of all droughts covered by its drought plan;	Throughout our plan we have recognised that these are largely within the realm of the incumbent water companies. We will work alongside and align with the steps they take to ensure consistency.
(g)	the measures that will be used to monitor, prevent and mitigate any adverse effect on the environment resulting from the implementation of drought management measures;	Throughout our plan we have recognised that these are largely within the realm of the incumbent water companies. Our demand reducing actions throughout detail how we support with this requirement
(h)	the compensation payments that a water undertaker expects to make as a result of the implementation of a drought management measure;	Section 8.2 makes visible to our customers the licenced requirements for compensation
(i)	how a water undertaker will review the ongoing effectiveness of its drought plan and act on its review;	In our section for End of Drought (7) there is a subsection dedicated to the review of our drought plans effectiveness whether there has been a drought or not.
(j)	how the drought plan is consistent with the water undertaker's Water Resources Management Plan and any voluntary steps that will be taken to collaborate regionally on	<p>We've tried to highlight throughout our plan how we are largely reliant on the triggers used by incumbent water companies.</p> <p>We attend incumbent water company drought plan meetings where these are available together with routine liaison</p>

	drought management measures.”	meetings which offer the opportunity to talk about drought.  Furthermore, we are engaged mainly with the Water Resources West Group through which we can also keep ourselves aligned.
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Table 1 - Matters to be addressed in drought plans

Additional guidance is provided by the Environment Agency who publish supplementary and technical guidance.

## Preconsultation

We are Directed to send our first Drought Plan within 6 months of the date of your appointment to Defra prior to consultation.

## Statement about National Security

We certify that this plan has been reviewed and does not contain any information that would compromise national security interests. Therefore, no information has been redacted from this document.

## Statement about Commercial in Confidence

We In this statement you must also say whether the plan contains any information that may be commercially confidential.

## Consultation

The Secretary of State will tell mua Water when to publish our draft drought plan for consultation by a wider stakeholder audience:



## Roles and Responsibilities

Following prolonged dry weather, to manage, communicate and make decisions using our drought plan we will convene a Drought Management Team. Responsible for implementing the plan, the team will liaise with the relevant incumbent water company to ensure consistent actions and messaging to reduce the impact of the drought on drinking water customers and the environment.

The team will consist of the following members (Table 2):

Drought level	Drought severity	Drought management actions	
		Demand actions	Supply actions
Normal operations without the need for a Drought Management Team			
0	Normal (green)	Routine demand management actions,	No additional actions
Drought Management Team Consisting of:			
Head of Water Regulation		To liaise with Regulators and Incumbent Water Companies and ensure compliance with the Drought Plan	
Operations Director		Monitor network flows and consumption, and report on customer contacts	
Head of Communications		Ensure adherence to communications plan, and report on customer contacts	
1	Prolonged dry weather (yellow)	Voluntary reductions, communication campaigns, increased leakage control	Actions with minor environmental impact, optimising sources, reducing outage
Drought Management Team Consisting of:			
Director of Water		To redirect company resources as appropriate and provide oversight, and	
Head of Water Regulation		To liaise with Regulators and Incumbent Water Companies and ensure compliance with the Drought Plan	
Operations Director		Monitor network flows and consumption, and report on customer contacts	
Head of Communications		Ensure adherence to communications plan, and report on customer contacts	
2	Drought (amber)	Temporary use bans	Recommissioning of unused licensed sources and actions with minor environmental impact
Drought Management Team Consisting of:			
Managing Director		To provide additional company resources, oversight, and report to the Board	
Director of Water		To redirect company resources as appropriate and provide oversight to the Board via our Managing Director	
Head of Water Regulation		To liaise with Regulators and Incumbent Water Companies and ensure compliance with the Drought Plan	
Operations Director		Monitor network flows and consumption, and report on customer contacts	
Head of Communications		Ensure adherence to communications plan, and report on customer contacts	
3a	Severe drought (red)	Non-essential use ordinary drought orders	Moderate environmental impact drought permits and ordinary drought orders
3b		All possible actions to avoid emergency drought orders (extreme actions)	All possible actions (extreme actions), including major environmental impact drought permits and ordinary drought orders
4	Emergency drought (plan) (red)	Emergency drought orders such as rota cuts and standpipes	Use of emergency storage

Table 2 – Roles and responsibilities

## Mua Water's Drought Plan

In making this plan we have followed the advised structure recommended in Appendix D (advice on the structure and format) of the water company drought plan guideline:

Section 1	Introduction
Section 2	Drought triggers
Section 3	Drought actions
Section 4	Extreme drought plan management actions
Section 5	Customer communications
Section 6	Environmental Assessment
Section 7	End of Drought
Section 8	Drought Management structure
Section 8.1	Agreements and arrangements of bulk supplies and transfers as drought escalates
Section 8.2	Compensation arrangements

## 1. Intro

Following our application, on the 31<sup>st</sup> August 2024, mua Water was appointed a statutory undertaker on the 21<sup>st</sup> June 2024 by the Water Services Regulation Authority (Ofwat). Like any other water company in England and Wales, including those colloquially referred to as incumbent water companies, we also benefit from all the same powers together with the responsibilities set out in law, including the requirement to prepare and maintain a Drought Plan.

At the time of writing this drought plan (31<sup>st</sup> October 2024) mua Water was appointed supplier and service provider for the following developments:

Development Name	Location	Bulk Supply Company	Ofwat Reference	Ofwat Licence Effective Date
Pearl Lane	Astley Cross	Severn Trent	043223	21 <sup>st</sup> June 2024
Burleyfields	Stafford	Severn Trent	045632	21 <sup>st</sup> October 2024
Whalley Old Road	Blackburn	United Utilities	045828	21 <sup>st</sup> October 2024
Albert Street	Hebburn	United Utilities	045620	31 <sup>st</sup> October 2024

Table 4 – mua Water areas of appointment

At the time of writing, none of these sites have customers connected and are at various stages of development. Water supplies to these developments follow bulk supply arrangements, with sufficiency and security of supply largely driven by agreements between water companies

with and the resources of the incumbent water companies – setting aside any acute disruption to services arising from localised infrastructure issues, since we do not operate any of our own sources of drinking water and are otherwise reliant on those of the incumbent.

Naturally, our drought plan focuses on demand driven drought management actions but is cognisant of supply management actions all the same (which is why they remain in our tables so as to provide a means of verification against incumbent water company actions).

Our supply management actions are limited to bottled water and tankering.

## Supply management actions

Not having any resources of our own, we are unable to undertake supply management actions but have described these in our tables so that users of this plan are aware of them and can verify the actions of the incumbent water company against the designated level of drought.

Where we apply restrictions, we will consider using bottled water and tankering, especially to support our priority services customers.

## 2. Drought triggers

Drought triggers are inherently linked to diminishing water resources following a period of dry weather which can also be throughout the crucial winter recharging period and not just the summer months. We don't abstract water from the environment yet and therefore don't have sources of water to monitor like incumbent water companies - who routinely measure and report on the health of impounding reservoir levels, groundwater levels and river flows.

We are therefore reliant on incumbent water companies to inform us when the criteria have been met to trigger each of the different stages of drought described in this plan. We participate in the regional water resource meetings and keep ourselves informed this way and this together with our routine incumbent water company liaison will keep us informed of impending or actual trigger points.

Inherently, when incumbent water companies reach their trigger levels we will as far as reasonably practicable, mirror the communications and approach and be as joined up as the performance experience allows.

For convenience, incumbent water company drought plans can be found here:

[Severn Trent Water's Drought Plan 2022 - 2027](#)

[United Utilities' Drought Plan 2022 – 2027](#)

### Drought trigger testing

Whilst we mirror and follow the drought triggers set by incumbent water companies, we respect that we must satisfy the provision of worked examples to show how we have considered issues of high demand and impact of heat waves. We therefore include the following logic and approach taken to control for these conditions:

In absence of empirical data of our own (considering the maturity of our company and customer base), we sought to use published data that's based on the extreme increase in consumption as experienced by a small water company based in England during Covid19 lockdown (March 2020 to December 2021) consumption rose by 11.4 % based on the average of the two years 2020 and 2022. For some context, the highest temperature recorded during this period was 37.8 °C (31<sup>st</sup> July 2020 – Heathrow Airport) some 14.3 °C higher than the 23.5 °C long term average.

We conclude that this circumstance is a good yard stick when considering the issue of high demand and heat waves and as such apply a 10% safety margin to the volume of water our customers would otherwise consume within all our Bulk Supply Agreements with incumbent water companies. This value was discussed with the Lead of the West Water Resources Group on the 17<sup>th</sup> November 2023 and we agreed it was a reasonable allowance for all the reasons set out above to cover the volume of water we estimate will be adequate to provide a secure supply under all reasonable extreme conditions.

The headroom allows for uncertainties with our high demand and impact of heat wave assumptions and to accommodate any short-term effects of warm weather, climate change and shocks to the system such as bursts, the need to flush or fire service usage.



### 3. Drought actions

We understand our obligations to prioritise actions that save water before applying for a drought permit (or order) and have drawn up our plan to focus on reducing demand from the offset and during a drought; These actions shall be implemented once the trigger has been met for prolonged dry weather:

Drought Level 1			
1	Prolonged dry weather (yellow)	Voluntary reductions, communication campaigns, increased leakage control	Actions with minor environmental impact, optimising sources, reducing outage

Table 5 – Drought Level 1 Demand Management Actions

- Water efficiency campaigns with customers

During the period immediately preceding the trigger for drought, we will increase the frequency of customer engagement to reduce consumption. We will coordinate our messaging to ensure it is aligned with that of the incumbent water company.

We will measure household consumption, determine the delay between implementation and the effect on demand reduction.

- Reducing mains pressure

Reducing mains pressure is an option for reducing the amount of water lost through leakage and that consumed by our customers

The impact of this demand management activity should be easily determined by the volume of water recorded by the bulk supply meter

- Reducing leakage

Leakage is expected to be low on our new networks, and finding leaks isn't easy. Therefore, we plan to increase leakage control and supply pipe repairs after water efficiency and mains pressure reductions, unless of course there is evidence of significant water savings to be gained in which case we will bring these works forward ahead of reducing mains pressure.

We will measure the success of this demand management activity by virtue of calculating the mass balance between bulk meter volumes and the volume when accounting for all customer consumption.

- Commercial Customers

Whilst we don't currently have any businesses in our appointed areas, applying restrictions to businesses will be detrimental to the economy and therefore to avoid this, it may prove prudent to ask businesses for voluntary reductions and to share water efficiency messaging.

If the weather continues to be dry and our demand reducing management activities for level 1 prove insufficient to prevent a drought then the event will naturally move to level 2:

Drought Level 2			
2	Drought (amber)	Temporary use bans	Recommissioning of unused licensed sources and actions with minor environmental impact

Table 6 – Drought Level 2 Demand Management Actions

- Temporary use bans (TUBS)

Naturally, the prohibition of the use of drinking water supplies is regulated under Section 76 of the Water Industry Act 1991; this can only be used if a water company thinks that it is experiencing, or may experience, a serious shortage of water for distribution.

We are required to make arrangements for a reasonable reduction of charges which are made in respect of prohibited uses (including arrangements for repayment or credit where charges are paid in advance).

Unless otherwise Directed by Government; Only the following uses of water may be prohibited:

- (a) watering a garden using a hosepipe;
- (b) cleaning a private motor-vehicle using a hosepipe;
- (c) watering plants on domestic or other non-commercial premises using a hosepipe;
- (d) cleaning a private leisure boat using a hosepipe;
- (e) filling or maintaining a domestic swimming or paddling pool;
- (f) drawing water, using a hosepipe, for domestic recreational use;
- (g) filling or maintaining a domestic pond using a hosepipe;
- (h) filling or maintaining an ornamental fountain;
- (i) cleaning walls, or windows, of domestic premises using a hosepipe;
- (j) cleaning paths or patios using a hosepipe;
- (k) cleaning other artificial outdoor surfaces using a hosepipe.

Together with our customers, we are guided by the Water Use (Temporary Bans) Order 2010 which describes the specific prohibitions which may be issued under Section 76(1) of the Water Industry Act.

We will measure the success of this demand management activity by the volume of water recorded by the bulk supply meter, together with the delay between implementation and the effect on demand reduction.

To ensure we clearly communicate the specific areas affected by the implementation of this demand reduction activity we will target communications to the specific areas affected using development names and locations. Being discrete areas, we are able to text, email and use letters to ensure customers are kept informed; including when a drought has ended.

- Commercial Customers

Whilst we don't currently have any businesses in our appointed areas, applying restrictions to businesses will be detrimental to the economy and therefore to avoid this, it may prove prudent to ask businesses for voluntary reductions and to share water efficiency messaging

Where the severity of the drought gets worse, then further demand reducing steps will need to be taken commensurate with level 3:

Drought Level 3			
3a	Severe drought (red)	Non-essential use ordinary drought orders	Moderate environmental impact drought permits and ordinary drought orders
3b		All reasonable actions to avoid emergency drought orders (extreme actions)	All reasonable actions (extreme actions), including major environmental impact drought permits and ordinary drought orders

- Non-essential use ordinary drought orders

The use of a Drought Order Ban is regulated by the Drought Direction 2011 by virtue of section 74(2)(b) of the Water Resources Act 1991. It has the effect of extending the prohibitions placed on domestic consumers (level 2) to commercial businesses.

It covers car washing, watering of sports pitches and cleaning windows. We will have warned and informed commercial businesses before we reached this level of drought severity.

We will implement a programme of monitoring customers adhesion to restrictions.

#### 4. Extreme drought management actions

A water company must explain what actions it could take in an extreme drought. These actions could delay the need to use emergency restrictions such as standpipes and rota cuts.

Level 4 droughts are rare but serious, and here we outline the implementation of emergency restrictions such as standpipes and rota cuts:

Drought Level 4			
4	Emergency drought (plan) (red)	Emergency drought orders such as rota cuts and standpipes	Use of emergency storage



- Emergency drought orders

These shall be approved by the Managing Director on behalf of the Board who will help ensure that our emergency plan is followed.

We will implement a programme of monitoring customers adhesion to restrictions.

We will also consider the provision of bottled water and tankering

## Fire and Rescue Services

We recognised the duties placed on us by Part 5 of the 2004 Fire and Rescue Services Act to provide water for firefighting. An obvious risk from our demand reducing action to reduce pressure, conserve water supplies and fend off drought restrictions is that there may not be sufficient pressure to service the firefighting needs where we have applied this measure within one of our areas of supply.

Suffice to say that we will notify the relevant fire authority when implementing pressure reductions.

## 5. Communications during a drought (Customer communications)

For our drought plan to be effective it is vital for us to explain to our customers and gain their co-operation to reduce water use. Communication with all key stakeholders is essential for managing any kind of event. Here we set out a plan, albeit, in reality we will be largely mirroring the approach of incumbent water companies and following their lead with the frequency, strength and content of communications.

Drought level	Drought severity	Communication actions					Regional Water Resources Groups
		Internal	Customers	Water Companies	Government	Regulators	
0	Normal (green)	Business as usual	Standard water efficiency messaging	Routine liaison about water resources	Business as usual	Business as usual	Routine Meetings
1	Prolonged dry weather (yellow)	Warn and inform roles in level 2	Weekly water efficiency messaging.	Fortnightly liaison water resources Work to ensure communications are consistent with Waterwise / WaterUK	Situational reports	Situational reports	Enhanced Meetings Work to ensure acting faithfully to company and regional plans
2	Drought (amber)	Warn and inform roles in level 3	Twice weekly water efficiency promotional messages / engagement. Promotional messaging about enhanced leakage detection. Informative messaging about any demand suppressing pressure reductions Warn and inform commercial users	Weekly liaison about water resources Work to ensure communications are consistent with Waterwise / WaterUK	Event reporting as needed	Event reporting as needed	Work to ensure acting faithfully to company and regional plans
3a	Severe drought (red)	Warn and inform parent companies	Intensification of level 2 together with appeals to save water	Liaison and communications as required Work to ensure communications are consistent	Incident management attendance	Incident management attendance	Work to ensure acting faithfully to company and regional plans
3b		Warn and inform parent companies	Intensification of level 2 together with appeals to save water	Liaison and communications as required Work to ensure communications are consistent	Incident management attendance	Incident management attendance	Work to ensure acting faithfully to company and regional plans
4	Emergency drought (plan) (red)	Warn and inform parent companies	Intensification of level 2 together with appeals to save water	Liaison and communications as required Work to ensure communications are consistent	Incident management attendance	Incident management attendance	Work to ensure acting faithfully to company and regional plans
End of Drought		Inform all roles and parent companies	Clear messaging to lift drought restrictions and restoration of normal use.	Debriefing and evidence-based lessons learned	De-escalation	Revision of drought plan and implementation of lessons learned	Debriefing and evidence-based lessons learned

Our website will be the central hub for all our drought-related messages for customers and stakeholders. As well as sharing updates before, during and after the drought, we'll also promote our contact details so customers can easily contact us with any questions or concerns.

We will use multiple channels to regularly communicate with customers at all levels of the drought to ensure we reach people using their preferred method of communication. This includes – but is not limited to – our website, email, social media, SMS and local media.

We will use the same channels repeatedly to warn and inform our customers and maximise early interventions, because we recognise there is a short-term effect on customer behaviours.

Regardless of the communication channel we use, we will ensure the accessibility of our messages to make sure that our customers can easily understand and act on the information we're sharing.

Through our communications, we'll provide extra reassurance and guidance for customers registered on our Priority Services Register. We'll also regularly promote our Priority Services Register during drought level 0 to ensure vulnerable households are aware of this free service and eligible households are encouraged to join.

It's important through all our messaging that we are consistent with the advice being shared by the incumbent water company, recognising that different incumbent water companies may be at different drought stages.

We will liaise with the Communications teams at the relevant water companies to ensure consistent messaging and timing especially because they may be at different drought stages to one another,

We will fall in line with notice periods leading up to the next level of drought; this is typically up to 2 weeks advance warning before level 3 and 4 are declared.

### **Incumbent water company communications**

We attend the National Drought Meeting led by the Environment Agency through which we can determine where each of the incumbent water companies are with their resources and drought plans. We use this meeting as a springboard to ensure engagement with relevant neighbouring water companies.

We have set out our communications activities in each stage of drought in the table above.

Where incumbent water companies are happy to facilitate joint customer communications (in any context; consumer, regulator) then we shall provide our corporate logo and help ensure communications are as coordinated as possible.

Where we have different sites affected to different degrees, we have the ability to send bespoke consumer communications through our billing arrangements - incumbent water companies are aware which water resource zones apply to each of our sites.

## **6. Environmental assessment, monitoring and mitigation**

We understand that a water company's drought plan must include an environmental assessment together with an environmental monitoring plan for each supply management action, and details of mitigation measures the company plans to take for each supply management action. Such requirements include Strategic Environmental Assessment (SEA) and Habitats Regulations Assessment (HRA) for these sites.

However, unless otherwise Directed, we conclude that these are unnecessary since we don't abstract from the environment and can't therefore implement a supply management action.

Our demand reducing management activities have no detrimental effect on the environment.

The potential provision of bottled water and tankering for a level 4 drought would be subject to availability and whilst in the spirit of enhancing supplies, in this context is only signposting for our emergency decision making purposes.

## 7. End of a drought

Each incumbent water company defines the end of a drought differently, but they all follow a similar rationale to one another which in general terms is when water resources have returned to normal levels. Furthermore, this usually requires a period of at least average rainfall which provides for catchments to recharge.

Incumbent water companies measure, impounding reservoir level, groundwater levels and river flows to determine that a drought has ended. Since we don't have our own water sources, we are reliant on the incumbent water company to inform us in much the same way as for all the other triggers involved in drought planning.

We will liaise with incumbents to ensure that communications and restrictions are revoked at the same time as each other.

The Drought Management Team will be informed, and duties will return to business as usual.

## Drought Plan Review

Aside from the statutory 5-year revision of our drought plan, we will undertake an annual drought health check report and submit this to the Environment Agency.

We recognise the annual health check might incorporate the lessons learned from an actual prolonged dry weather period or drought that occurred within the reporting year. We equally recognise that it's important to make improvements from distilling what worked and what didn't work well from these experiences, including from a customer and regulatory perspective.

Therefore, within 20 working days of a dry weather event ending, we shall write an event report – the purpose of which is to make recommendations for improvements to our drought plan and feed this back to the Environment Agency together with the Drinking Water Inspectorate if necessary.

We will seek to understand the following:

- The performance of our operational response
- Customer impact, especially for our Priority Services Customers
- The changes to the level of demand and its impact on headroom and our Water Resource Management Plan forecasts.
- Whether revisions need to be made to Bulk Agreements
- Changes made to the incumbents corresponding levels of service
- Impact of any investment made during the drought event or likely impact of investment needs post event learning.
- Whether the improvements made need to be communicated to customers in a reassuring capacity, or else by way of engagement to inform priority.
- The effect of additional developments added to our Ofwat Licence within the year
- The number of customers we serve for each development
- The number of customers attached to the same incumbent water resource zone
- Incorporate the lessons identified with the relevant incumbent water company

We will include data and evidence to support our post drought review including data and evidence experienced by other water companies, where this is shared because of common public health, and environmental safeguarding interest.

Commensurate with the build out programme and progression towards completions within each of the licenced areas; we will review and revise (as necessary) our drought plan – the review will take in to account further variations to our Ofwat Appointment as we continue to invest in developments and add customers to our services.

Section 8    Drought Management structure

The drought management structure is described in Table 3 below. It shows a proportional approach to event management in terms of the number of roles involved and levels of authority for each of the drought levels, so that we can deploy and focus our resources optimally:

Drought level	Drought severity	Drought management actions	
		Demand actions	Supply actions
Normal operations without the need for a Drought Management Team			
0	Normal (green)	Routine demand management actions,	No additional actions
Drought Management Team Consisting of:			
Head of Water Regulation		To liaise with Regulators and Incumbent Water Companies and ensure compliance with the Drought Plan	
Operations Director		Monitor network flows and consumption, and report on customer contacts	
Head of Communications		Ensure adherence to communications plan, and report on customer contacts	
1	Prolonged dry weather (yellow)	Voluntary reductions, communication campaigns, increased leakage control	Actions with minor environmental impact, optimising sources, reducing outage
Drought Management Team Consisting of:			
Director of Water		To redirect company resources as appropriate and provide oversight, and	
Head of Water Regulation		To liaise with Regulators and Incumbent Water Companies and ensure compliance with the Drought Plan	
Operations Director		Monitor network flows and consumption, and report on customer contacts	
Head of Communications		Ensure adherence to communications plan, and report on customer contacts	
2	Drought (amber)	Temporary use bans	Recommissioning of unused licensed sources and actions with minor environmental impact
Drought Management Team Consisting of:			
Managing Director		To provide additional company resources, oversight, and report to the Board	
Director of Water		To redirect company resources as appropriate and provide oversight to the Board via our Managing Director	
Head of Water Regulation		To liaise with Regulators and Incumbent Water Companies and ensure compliance with the Drought Plan	
Operations Director		Monitor network flows and consumption, and report on customer contacts	
Head of Communications		Ensure adherence to communications plan, and report on customer contacts	
3a	Severe drought (red)	Non-essential use ordinary drought orders	Moderate environmental impact drought permits and ordinary drought orders
3b		All possible actions to avoid emergency drought orders (extreme actions)	All possible actions (extreme actions), including major environmental impact drought permits and ordinary drought orders
4	Emergency drought (plan) (red)	Emergency drought orders such as rota cuts and standpipes	Use of emergency storage

Table 3 – Drought Event Team

## Section 8.1 Agreements and arrangements of bulk supplies and transfers as drought escalates

Whilst we conclude that the spirit of this requirement is really about bulk transfer arrangements between incumbent water companies to share resources across regions, we have included the following details about our bulk supply agreements which blend across elements of our water resource management plan.

### Our bulk supply agreements

Currently, all our drinking water is supplied by virtue of Bulk Supplies with the relevant incumbent water company. It is recognised that the volume of water agreed upon being available for use by each appointed area include a Headroom volume above the volume expected to be consumed or otherwise lost to leaks.

This Headroom volume is to accommodate extreme demand heightening consumption of all types but specifically those weather-related including periods of dry and hot weather.

The Headroom provides a safeguarding volume of drinking water that's aligned to the extreme increase in household consumption experienced during Covid19 which was measured by one water company as a 11.4% increase.

As such, 10% can be considered a reasonable level of margin for all but an extreme situation.

In parallel to the drought plan outlined above, our water resources management plan requires us to take demand reducing action (customer messaging and increased leakage detection) when the volume of water consumed is within 5 to 10 % of the agreed water available for use.

Where the headroom can't be maintained under normal conditions because of consumption then renegotiation of agreements will be triggered.

## Section 8.2 Compensation arrangements

Condition Q of our Instrument of Appointment sets out the financial credits that we must make where customers have their water supply interrupted because of a drought order, unless we can show that we took all reasonable steps to avoid the circumstances which gave rise to the making of the drought order.

Otherwise;

Household compensation is set as: £10 for each part day the supply of water to the premises is interrupted, subject to a maximum payment equal to the average water charge payable by household premises for the charging year preceding the drought.

For non-household premises compensation is set as: £50 for each part day the supply of water to the premises is interrupted, subject to a maximum payment equal to the water charge payable by the premises for the charging year preceding the drought or the maximum sum of £500 - if the customer was not liable to pay those charges.

These payments do not apply due to the application of temporary use bans.