

## Developing the Environmental Performance Assessment (EPA) for water and sewerage companies

### Response Template

#### Introduction to Consultation

The Environmental Performance Assessment (EPA) was introduced by the Environment Agency (EA) in 2011 as a non-statutory tool for comparing performance between water and sewerage companies (WaSCs). It uses six measurable environmental indicators to provide a meaningful comparison of performance across the nine WaSCs operating mainly in England. It forms part of a wider assessment, including discussion of strategic and non-metric performance at annual review meetings with company Chief Executives and ongoing engagement to influence better performance where necessary. It is reported annually.

We (EA) are updating the Environmental Performance Assessment (EPA) for water and sewerage companies. This includes revised definitions and thresholds for existing metrics, as well as the development of new metrics where appropriate. We will release a 'shadow' EPA to illustrate the new and revised metrics.

In the separate consultation document we set out the proposals and ask specific questions to assist in developing the EPA.

This template provides the format for stakeholders to respond to the specific questions raised. The section numbers refer to the sections in the main consultation document. For the rest of this document we refer to water and sewerage companies as 'water companies'.

Please respond to the questions raised by 1 February 2016, to Bethan Howard at the Environment Agency. [Bethan.howard@environment-agency.gov.uk](mailto:Bethan.howard@environment-agency.gov.uk) Thank you.

If you have any queries regarding this consultation please contact Keith Davis, Regulatory Development Manager, [Keith.davis@environment-agency.gov.uk](mailto:Keith.davis@environment-agency.gov.uk) or Bethan Howard, [Bethan.howard@environment-agency.gov.uk](mailto:Bethan.howard@environment-agency.gov.uk) Senior Advisor, Water Quality, Environment and Business, Environment Agency.

This response is from:

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| <b>Organisation/Company:</b> | <b>Severn Trent Water Ltd</b>                        |
| <b>Name/Job Title:</b>       | <b>Mark Needham – Regulatory Performance Manager</b> |

#### 3.4 Satisfactory Sludge Disposal

##### Question:

1. Do water companies commit to providing sludge data to the Environment Agency?

2. Can water companies provide satisfactory sludge disposal data to the Environment Agency by 15 April each year (on the previous year's performance)?

**Question 1 Response:**

Yes, in principle, as there is an engagement framework already in place for discussion about compliance data, culminating in the Annual sludge audit in April.

**Question 2 Response:**

Yes, the Annual sludge compliance audit meeting generally takes place in April.

**3.5 Delivery of the National Environment Programme (NEP) as part of Asset Management Programme (AMP)**

**Question:**

3. Can water companies provide NEP delivery data to the Environment Agency by 15 April each year?
4. Can water companies provide NEP delivery data to the Environment Agency quarterly?
5. Can water companies provide NEP delivery data to the Environment Agency on a calendar year basis?
6. Do water companies wish to report NEP delivery data on a calendar year basis? If yes, what are the benefits and dis-benefits of a change?

**Question 3 Response:**

Probably, this depends upon how quickly the EA can sign off on delivery of the Chemical Investigation Programme obligations. We have 32+ in each year from 2017-2020, all with March 31st dates. Most just entail delivery of data + a short options report, but across the whole industry, the EA will need to sign off on 120+ pa between 31st March and 15<sup>th</sup> April and give us enough time to feed this data through into EPA. Could be a tall order, given the propensity of Easter to land around early April especially if there is any debate over sign-off criteria, which for CIP2 is still being discussed at the project steering group.

**Question 4 Response:**

Probably, but as pretty much all of our regulatory dates are 31<sup>st</sup> March each year (and all of our proposed WFD Q schemes are in the draft phase 5 at March 2020), there may not be much to report in most quarters, aside from voluntary early deliveries

**Question 5 Response:**

We could do, but we can't see what the benefits would be. In truth, we can take a snapshot of what has been delivered at any point in time.

We will be delivering WFD obligations early to ensure sensible programme delivery, so I would definitely support a cumulative total approach as we should always be ahead of the curve.

**Question 6 Response:**

Can do but can't see what the benefits would be. In truth, we can take a snapshot of what has been delivered at any point in time.

### 3.7 Security of Supply Index

**Question:**

7. Do water companies agree to provide this information (including the figures that feed into the calculation, as well as the resultant company SoSI score) to the Environment Agency to the stated definition?
8. Can water companies provide SoSI data to the Environment Agency by 15 April each year for the previous financial year's performance? If not, what is the soonest date after 15 April each year that water companies can provide this information to the Environment Agency?
9. In the future, for existing and new KPIs that are to be developed covering water resources metrics, can water companies commit to working with the Environment Agency on timely data provision as metrics are developed, e.g. on a calendar year basis and/or quarterly?

**Question 7 Response:**

We can calculate and report annual SOSI performance, but it should be noted that SOSI is not one of our AMP6 ODIs and no SOSI targets were set as part of the PR14 final determination.

**Question 8 Response:**

Inputs to the SOSI calculation are taken from the Company's annual year end water balance. The water balance is the audit trail for our reported demand and leakage ODI performance, and is subject to our annual ODI governance process. The water balance data handling, calculation and governance process means that we would not be able to meet the proposed submission date of 15 April. The complexity of the water balance calculation and the sensitive nature of reporting leakage means that calculating and validating our outturn performance is a significant task, which requires approximately 2 months of work across business areas for completion for what was the Ofwat Annual Return. Based on our established Ofwat Annual Return governance process, the earliest date we could confidently report our leakage and SOSI performance would be 1 May each year. To prevent duplication of effort and reporting, our recommendation would

be to use the established WRMP annual review process for reporting water balance and SOSI performance.

**Question 9 Response:**

While we can provide water resources performance metrics through the EPA, we feel that this would lead to an inefficient duplication of regulatory reporting. It is already a statutory requirement for water companies to submit to Defra and EA an annual review of performance against delivering their Water Resources Management Plans, and we are required to report to Ofwat an annual review of our ODI performance measures. The WRMP annual review includes reporting on key water resources metrics, an update on our delivery plans and a data submission covering a detailed breakdown of our water supply and demand performance. If the EA require this information to be submitted as part of the annual EPA reporting, then we would expect the WRMP annual review reporting requirements to be slimmed down accordingly. Our recommendation would be to use the established WRMP annual review process to track water resources and supply performance.

## 5.0 Data Verification and Normalisation and Star Ratings

### 5.1 Sewer Length

**Question:**

10. Can each water company confirm or correct the sewer length figures for transferred adopted sewers (October 2011) to the Environment Agency.

**Question 10 Response:**

Confirmed as 36975 km.

### 5.4 Star Ratings Description

**Question**

11. Do you wish for the star rating descriptions to be changed?
12. If yes, what do you propose and what is the benefit of the new description?

**Question 11 Response:**

No

**Question 12 Response:**

N/A