**CAVEATS**

**WRC Capacity and DWF/TAL implications:**

Anglian Water’s response on the potential most sustainable locations for future housing growth is based on the permitted dry weather flow (DWF) of Water Recycling Centres (WRC) and the headroom available. Locating development to use existing WRC headroom first complies with the NPPF and the sustainability hierarchy. The assessment uses the average measured DWF Q80 data for the WRC in the past 5 years (e.g. 2019-2023) for which data is available and has been provided to the Environment Agency. We use Q80 to be consistent with the Environment Agency’s assessment of DWF headroom and an average over a 4 (5) year period to account for variations owing to particularly dry or wet year weather patterns.

The assessment of the potential available WRC headroom to serve new homes is indicative and based on the information currently available to assist LPAs with their plan-making process and distribution of growth. The position can and will change and the reasons may include:

* Weather – principally the duration and intensity of rainfall - and surface and groundwater flows into the wastewater network
* Changes in wastewater flows from existing homes and businesses, for example as a result of more home working such as occurred in 2020 and 2021
* New connections resulting from existing commitments - new planning permissions and expansions of businesses either from existing Local Plan allocations or when windfall development is approved and constructed
* Reductions in foul flows as water efficiency measures reduce the amount of water used and then needing treatment
* Improved accuracy of data collection as new flow monitors are installed and defective monitors replaced
* Changes to permits and wastewater regulations including nutrient removal to technically achievable limits (TAL)
* Optimisation and upgrades of existing WRC e.g., as part of standard maintenance, or through planned works, including improvements paid for by developers for non-domestic flows.

For the purposes of plan-making the number of new homes that could be served by an existing WRC is therefore a snapshot in time and will be subject to change due to the number of factors that may influence WRC headroom in the future. The RAG assessment does not provide actual housing numbers and should be used as a high-level assessment to help inform the spatial distribution of growth and general alignment with findings of Local Plan evidence documents such as Infrastructure Delivery Plans, Water Cycle Studies, or Integrated Water Management Studies. It will be for the LPA to confirm the position through the WCS/IWMS and in liaison with the Environment Agency. The RAG assessment is only in relation to known existing allocations, commitments and proposed allocations for dwellings specifically – it does not include an assessment of WRC headroom for new businesses and non-domestic flows.

**TAL (Technically Achievable Limits)**

The proposed WINEP (Water Industry National Environment Programme) for PR24 will be our largest ever programme of environmental delivery, both in terms of investment and quantum of obligations. New Environment Act requirements have driven large programmes of work for both nutrient and overflow improvements, which are expected to deliver significant environmental gains, both in the near-term (AMP8) and longer-term, with targets extending to 2038 and 2050 respectively. This includes a programme of nutrient removal at several of our WRCs to technically achievable limits (TAL). For the majority of the identified WRCs, this will be for phosphorous removal where TAL is 0.25mg/l.

When both TAL and DWF capacity constraints are forecast at a WRC either due to housing/ non- domestic growth or infiltration into the network then alternative options will be considered, one of which could be to pump a proportion of the wastewater to a nearby WRC for treatment. This though will have additional implications - capital costs including carbon as well as operational energy and carbon costs. Some WRCs will be either too remote or not near another WRC with capacity. The impact of environmental pressures, including sites at technical achievable limits, and the approach required to enable future sustainable growth is something we will continue to discuss with the Environment Agency and key stakeholders, including local planning authorities.

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| **Wording in Business Plan appendices for** [**Sustainable Growth**](https://www.anglianwater.co.uk/SysSiteAssets/household/about-us/pr24/ANH29-Enhancement-strategy-Sustainable-growth.pdf)**:**  Alongside the impact of growth, tightened permit limits driven by WINEP drivers will bring the reduction of permitted ammonia and phosphorus levels at some sites down to technical achievable limits (TAL), reducing headroom at a number of WRCs and in some cases removing the option for free or low cost solutions. Where a WRC has a permit at TAL the Environment Agency is unlikely to be able to allow a permit for an increase in DWF to address the increased risk from growth. Whilst we’re pleased to support the environmental needs, these factors make ensuring WRC compliance increasingly challenging when combined with expected levels of population growth. [...] We are actively working with the Environment Agency to identify alternative solutions within these catchments as a collaborative approach will be the only way to achieve both environmental protection and housing growth. |

**RAG rating – WRC headroom:**

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|  | Headroom available for proposed future growth |
|  | Some headroom available for proposed future growth – may require phasing to allow for future planned investment to come forward. |
|  | No headroom for the proposed level of future growth, and no immediate plans for future investment. |

**Business Plan: Pre final determination:**

Anglian Water plans to invest between 2025 and 2030 on water and water recycling capacity and environmental projects. This is based on investment data from the Copperleaf C55 system ‘PR24 Initial scenario’ which was the scenario used for the PR24 business plan submission to Ofwat in October 2023. Whether these investments go ahead is dependent on Ofwat’s approval to allow us the funding at the draft determination in June 2024. Final determination is expected to be issued in December 2024.

The business plan essentially involves two types of investment:

1. Obligations – environmental obligations such as spill reductions from storm overflows and nutrient removal. As obligations these must be delivered to stated deadlines agreed with the regulator. This includes our Water Industry National Environment Programme (WINEP) portfolio of projects.
2. Adaptive investment programme – includes measures to address growth, ongoing maintenance and flood risk. Large investment schemes have more certainty, but there will be various investment decisions that will be based on several factors including asset condition and deterioration, emergency situations, industry emissions, and emerging legislation. Some investment schemes will be combined to deliver more effective and efficient outcomes and therefore a high level of flexibility is required. Solutions can change and evolve over the Asset Management Plan (AMP) period including from a regulatory position, and we regularly review our investment plan to ensure we are flexible enough to adapt to change and deliver the most beneficial improvements. Investments could also be reprioritised to allow more urgent schemes

Our investment during successive 5-year periods must remain within the limits as approved in our final determination from Ofwat. We have an adaptive investment programme plan to ensure that we respond to a changing development environment, and therefore do not agree the locations for all investment at the beginning of the period. We annually review the current situation and forecasted growth in all 1,100 of our WRC catchments and review our risk of compliance performance against the permit (as issued by the Environment Agency). These risks are prioritised, reviewed against the budget, and investment is promoted where required.

Our aim, however, is always to work with the Environment Agency to prioritise those catchments where investment in additional treatment capacity is required and to secure funding for this from Ofwat via the Periodic Review process.

Investment in upgrading our WRC’s is not a process that developers are involved with or have any influence over in terms of future housing growth. The funding for this investment comes from customer bills and our budget is set and approved by Ofwat. However, if investment is required to ensure the WRC can accept flows from non-household sites, then this will be paid for by the developer e.g. to accept trade effluent flows.

The additional flow from new connections into WRCs will be monitored. If we identify a risk to compliance with our permit, publicly available from the EA, then we will take the appropriate measures to address this. We would expect that any risk to water quality will be highlighted by the Environment Agency and addressed through the next Water Industry National Environment Programme.