

CAIRNGORMS NATIONAL PARK AUTHORITY

Title: CONSULTATION RESPONSE TO INVESTING IN WATER SERVICES 2006-2014 THE QUALITY & STANDARDS III PROJECT

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Purpose

The aim of this document is to seek the Board's approval on the proposed response to the Scottish Executive's consultation on Investing in Water Services 2006 - 2014 The Quality & Standards III Project prior to 12th October 04.

Recommendations

That the Board:

- approves the paper and it will then be forwarded to the Scottish Executive before the 12th October 04.

Executive Summary

The consultation document is summarised with the following core principles;

The CNPA considers that the following core principles should guide the investment in water services –

- Promote the conservation of water in relation to both business and domestic users.
- Educate and make users aware of the conservation of water.
- Develop innovative solutions to developing housing which will be less dependent on mains infrastructure for water and sewerage, yet does not damage the environment.
- Minimum legal standards be enforced for environmental drivers as well as drinking water quality.
- Consider climate change and its effect on sewers, flooding and housing in the future.
- Consider the public sector funding the infrastructure and clawing back these costs over a phased period of time as development takes place.
- Consider changing the policy on lack of increased capacity in rural areas as this is constraining development especially in the Cairngorms National Park.
- A breakdown of costs by geographic area both for historic and Q& S III funding.
- Take a more transparent view on where likely investment has been and will be targeted.
- Consultation with partners such as the Local Authorities, Communities Scotland, Housing Associations and the Cairngorms National Park Authority when developing its programme and prioritising projects for use of slippage and savings.

**INVESTING IN WATER SERVICES 2006 - 2014
THE QUALITY & STANDARDS III PROJECT
CAIRNGORMS NATIONAL PARK CONSULTATION RESPONSE**

Overview and Summary

1 The Cairngorms National Park Authority (CNPA) welcomes this consultation and endorses the need for investment in water services given the very substantial continuing programme of investment that is required in Scotland, especially in rural areas. This paper should be read in conjunction with the CNPA's response on Paying for Water Charges 2006 -2010. Our response is also influenced by the CNPA's four aims, which are:

- To conserve and enhance the natural and cultural heritage of the area;
- To promote sustainable use of the natural resources of the area;
- To promote understanding and enjoyment (including enjoyment in the form of recreation) of the special qualities of the area by the public; and
- To promote sustainable economic and social development of the area's communities.

The CNPA believes the Scottish Water investment programme is critical to the delivery of socio economic development in the Park area whilst protecting its natural resources. The CNPA considers that the following core principles should guide the investment in water services –

- A breakdown of costs by geographic area both for historic and Q& S III funding.
- Take a more transparent view on where likely investment has been and will be targeted.
- Consultation with partners such as the Local Authorities, Communities Scotland, Housing Associations and the Cairngorms National Park Authority when developing its programme and prioritising projects for use of slippage and savings.
- Promote the conservation of water in relation to both business and domestic users.
- Educate and make users aware of the conservation of water.
- Develop innovative solutions to developing housing which will be less dependent on mains infrastructure for water and sewerage, which does not damage the environment.
- Consider the public sector funding the infrastructure and clawing back these costs over a phased period of time as development takes place.
- Consider changing the policy on lack of increased capacity in rural areas as this is constraining development especially in the Cairngorms National Park.
- Minimum legal standards be enforced for environmental drivers as well as water quality.
- Consider climate change and its effect on sewers, flooding and housing in the future.

Responses to Specific Consultation Points

CHAPTER 1 - INTRODUCTION

Consultation Point 1 - the key aim of Quality and Standards III is to produce a cost-effective, deliverable, affordable and sustainable investment programme. Do you think these are the right criteria?

- 2 The CNPA agrees that the key aim should be to produce a cost-effective, affordable and sustainable investment programme. In addition to these principles, we would add two more transparent and targeted. It would have been much more beneficial to indicate the total budget associated with each investment driver and what this may mean in charges to the consumer, whether business or householder and where this investment was going to be made in each year of the programme.
- 3 The CNPA would like to see better programme management principles in the paper. Discussion with partners such as the Local Authority, Communities Scotland, Housing Associations or the business community is imperative. Scottish Water needs to avoid both back end and geographical loading of the programme and ensure there is a reasonable programme of delivery with the Park area throughout the period of investment. The areas most constrained by the lack of water and sewerage are Newtonmore, Kingussie, Nethybridge, Boat of Garten, Tomintoul and Braemar.
- 4 A robust monitoring system of the delivery of the programme is required to identify savings and encourage efficiencies throughout. This could be done, for instance, by integrating solutions geographically or addressing several of the drivers at once eg drinking water quality, development constraints and the environment. This means the programme can deliver more than one driver at once and take a holistic approach, which can deliver multiple benefits in a cost effective way. This is not being delivered at the moment.
- 5 To help the Scottish Executive deliver on its international commitments on sustainable development, Scottish Water along with all public bodies/agencies must set sustainable development at the heart of its business. We would urge Scottish Water to reduce leakage and infiltration into sewers to help reduce the need for increased capacity. As one of the National Park's aims is to promote the sustainable use of the natural resources of the area, the paper would benefit from a strong and clearly defined strategy to promote wise-use and water conservation/efficiency measures for households and businesses . It would also benefit from an awareness raising or educational programme on making consumers conscious of how they can accomplish this.
- 6 Although the CNPA would like to see innovative approaches to waste water treatment, it is recognised that the risks to public health and the environment are currently higher in private than public systems. For example, where a septic tank discharges at full capacity and the effluent from the soakaway poses a health risk. CNPA would only support these approaches if the environment and public health is protected.

CHAPTER 2 - ESTABLISHING FUTURE INVESTMENT NEEDS

Consultation Point 2 - Do you agree that these are the correct questions each working group should use to assess each individual investment option?

The questions for each working group to use to assess individual investment options are:

- i Is it legitimate for customers alone to pay for investment under consideration?
- ii Is the proposed investment option the most cost effective available?
- iii Are the planning assumptions which lie behind the requirement reasonable?
- iv Is there any flexibility built into the requirement (either to meet a lower standard of compliance or invest over a longer period), and if not, should there be?
- v What level of priority should be attached to the individual investment requirements?

Point 2

- i The CNPA does not believe it is legitimate for customers alone to pay for the investment. The CNPA considers it vital that the broader public socio economic and environmental benefits of investment are recognised and reflected through an appropriate contribution from general taxation.
- ii It is unlikely that the proposed investment is the most cost effective available as the paper does not look at a longer timescale for investment, reducing leakage or promote conservation of water.
- iii A clearer more detailed breakdown is required, of what can, and more importantly cannot be delivered with different levels of investment. This then relates to how much can be charged (please see response to Paying for Water Services 2006-2010 annexed)
- iv The Park strongly advocates that within a National Park at least the legal minimum standards must be applied to all the drivers. We would ideally wish to see higher standards in the Park but recognise the need to compromise in relation to affordability issues.
- v There should be a balance between all the drivers as they are all important for different reasons. Once minimum legal standards have been addressed investment should be targeted in the most cost effective way to maximum benefit.

CHAPTER 3 - MAINTAINING SERVICE STANDARDS (CAPITAL MAINTENANCE)

Consultation Point 3 - Do you agree that maintaining serviceability levels (as defined in Chapter 3) should be an essential objective of Quality and Standards III?

Consultation Point 4 - What are the most important serviceability standards?

Consultation Point 5 - If you wish to see higher level of serviceability, do you wish to see this benefit secured from a) higher charges or b) lower spend on other areas of capital investment.?

Point 3

- 7 The CNPA would agree that maintaining water serviceability levels are important, however the water and sewerage is constrained by keeping capacity the same with Scottish Water's policy of no expansion.

Point 4

- 8 All serviceability standards are important. As noted above, if there is leakage in the system important water supplies are lost which affects the capacity and wastes resources. Water quality and environmental factors should not be compromised to cut costs.
- 9 CNPA would ask Scottish Water to take into consideration the implications of climate change and how this would affect water serviceability in the future.

Point 5

- 10 The CNPA considers it vital that the broader public socio and economic benefits of investment are recognised and reflected through an appropriate contribution from general taxation.

CHAPTER 4 - EXTENDING PUBLIC WATER & SEWERAGE NETWORKS

NEW DEVELOPMENT

Consultation Point 6 - We hope to be able to include provision within the forthcoming investment programme to fund the deeper elements of connection. Should this element be paid for by a) higher charges b) lower investment ?

Consultation Point 7 - Where there is a requirement made by local authorities for detailed modelling work to inform the viability of strategic sites in structure and local plan processes, who do you think should fund this work?

Point 6

- 11 The section 4.3 mentions the interrelationship between the sewer system and neighbouring watercourses and SEPA's requirement that Scottish Water must demonstrate no detriment to watercourses from development proposals. The CNPA is very concerned that this is upheld as the major rivers in the Park are being proposed as a candidate for special areas of conservation. It is therefore important that Scottish Water provide adequate investment to ensure appropriate development may progress without damaging the environment.
- 12 The Park believes that geographically uniform charging mechanisms should be maintained in order that higher charges are not introduced into rural areas, thereby rendering further development of those communities non-viable.
- 13 However it should be emphasised that investment in water infrastructure involves very long time horizons, and borrowing arrangements should be made on equivalent time periods to reflect this.

Point 7

- 14 The CNPA would agree that it is important that Scottish Water and the planning authorities work in partnership on detailed modelling work to inform the viability of strategic sites. It would seem prudent to ensure that if a developer pays a contribution for a site for a water and sewerage connection that this capacity is guaranteed.
- 15 There are statutory duties laid out for Local Authorities in their structure and local plan which increasingly involves communities in their own development. However there is little advantage in identifying sites for new affordable housing along with the local community if Scottish Water reject them due to lack of capacity or other issues. It is suggested that a Partnership approach is adopted so that a good network of negotiation and selection is set up. The Cairngorms National Park Authority is currently developing its National Park Plan and Local Plan and we would like to see such a partnership approach established in the National Park. As previously stated in Point 1, many sites in Badenoch & Strathspey especially, and some other areas in the Park, are already constrained by the lack of water and sewerage capacity.
- 16 Investing in Water Services should also be part of the community planning process, which all Local Authorities are undertaking. Scottish Water should be strongly encouraged to participate in this process.

FIRST TIME CONNECTION

Consultation Point 8 - Do you think that the forthcoming investment programme should include provision for new connection where the costs to customers exceed those that are currently considered 'reasonable'?

Consultation Point 9 - If so, should the inclusion of such an element be paid for by a) higher charges or b) lower investment in other areas?

Point 8

- 17 In making investment decisions the paper uses 'reasonable cost' benchmarks as stated in Section 4.15. As the unit cost for first time connections will be higher in rural than urban areas, this would seem to mitigate against rural investment, which in itself will restrict the socio economic viability of communities.
- 18 In Section 4.17 the consultation states a further allocation of £41m is being made available to ease the constraints on new housing and to assist with first-time sewerage in these areas; there has been no specific mention of the communities who are going to benefit. A list of communities would be useful along with the criteria used for their selection/justification. We would urge that the problems associated with development constraints and first time rural sewerage connections in the CNPA area are addressed as part of this.

Point 9

- 19 The high upfront infrastructure costs can be a disincentive to housing providers building both public and private houses for rent and sale. It is suggested the public sector fund the infrastructure and claw-back these costs over a reasonable period of time as development takes place.
- 20 In the Cairngorms National Park this will allow the small developer to pay on a per house basis rather than the unfair alternative of paying everything up front. The ability to expand the sewerage facilities should be built into thinking along with the long term environmental issues. The ad hoc short termism system of the past should be stopped as such an approach would prevent first-time sewerage schemes leading to serious impact upon the rural communities.

CHAPTER 5 - INVESTING IN THE ENVIRONMENT

Consultation Point 10 - What should the top environmental priorities be?

Consultation Point 11 - should the inclusion of these priorities be paid for by a) higher charges, or b) lower investment in other areas?

Point 10

- 21 CNPA knows there are environmental problems associated with both abstraction and water quality, in the Park, even though our waters are relatively pristine compared to much of the country. We are concerned that environmental problems might be overlooked. We are also anxious that there may be moves to defer meeting legal requirements (most of which apply across the whole of Europe). CNPA would insist that the full legal standards are applied especially in the National Park. As indicated in Point 2 we believe there is a case for higher standards in the National Park than elsewhere and would wish to see these introduced as soon as is practical.

Point 11

- 22 The CNPA considers it vital that the broader public socio economic and environmental benefits of investment are recognised and reflected through an appropriate contribution from general taxation.

CHAPTER 6 - DRINKING WATER QUALITY & WATER RESOURCES

Consultation Point 12 - what should the top drinking water quality resource priorities be?

Consultation Point 13 - should the inclusion of these priorities be paid for by a) higher charges, or b) lower investment in other areas?

Point 12

- 23 It is clearly important to fund statutory requirements to protect and improve the quality of drinking water. The CNPA would insist that at least the minimum legal standards are applied especially in the National Park.

Point 13

- 24 The CNPA considers it vital that the broader public benefits of investment are recognised and reflected through an appropriate contribution from general taxation.

CHAPTER 7 - OTHER PRIORITIES FOR THE CUSTOMER

ODOUR FROM WASTE WATER TREATMENT WORKS

Consultation Point 14 - Do you think that the forthcoming investment programme should include provision for odour control at waste water treatment works?

Consultation Point 15 - If so, should the inclusion of such an element be paid for by a) higher charges or b) lower investment in other areas?

Point 14

- 25 CNPA agrees that that the forthcoming investment programme should include provision for odour control at waste water treatment works.

Point 15

- 26 The CNPA considers it vital that the broader public benefits of investment are recognised and reflected through an appropriate contribution from general taxation. This is a particular issue in upland areas and areas with long water mains such as in the CNPA area.

WATER PRESSURE

Consultation Point 16 - Do you think that the forthcoming investment programme should include provision to improve water pressure for those properties suffering from low pressure?

Consultation Point 17 - If so, should the inclusion of such an element be paid for by a) higher charges or b) lower investment in other areas?

Point 16

27 CNPA agrees that that the forthcoming investment programme should include provision to improve water pressure for those properties suffering from low pressure.

Point 17

28 As this estimated investment is £40m over the 8 years, CNPA suggests looking at the long term investment plan and include works with reducing bursts in water supply mains and leakage control. If these are integrated spend on water pressure may reduce.

SEWER FLOODING

Consultation Point 18 - Do you think that the forthcoming investment programme should include provision to improve sewer flooding in addition to that contained under capital maintenance?

Consultation Point 19 - If so, should the inclusion of such an element be paid for by a) higher charges or b) lower investment in other areas?

Point 18

29 CNPA agrees that that the forthcoming investment programme should include provision to improve sewer flooding in addition to that contained under capital maintenance. Consideration should also be taken of climate change and the possibility of increased water in sewers.

Point 19

30 The CNPA considers it vital that the broader public benefits of investment are recognised and reflected through an appropriate contribution from general taxation. The principles as set out in the CNPA's response on Paying for Water Services 2006 -2010 also apply.

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