

British policy on domestic water metering

The case for a more interventionist policy

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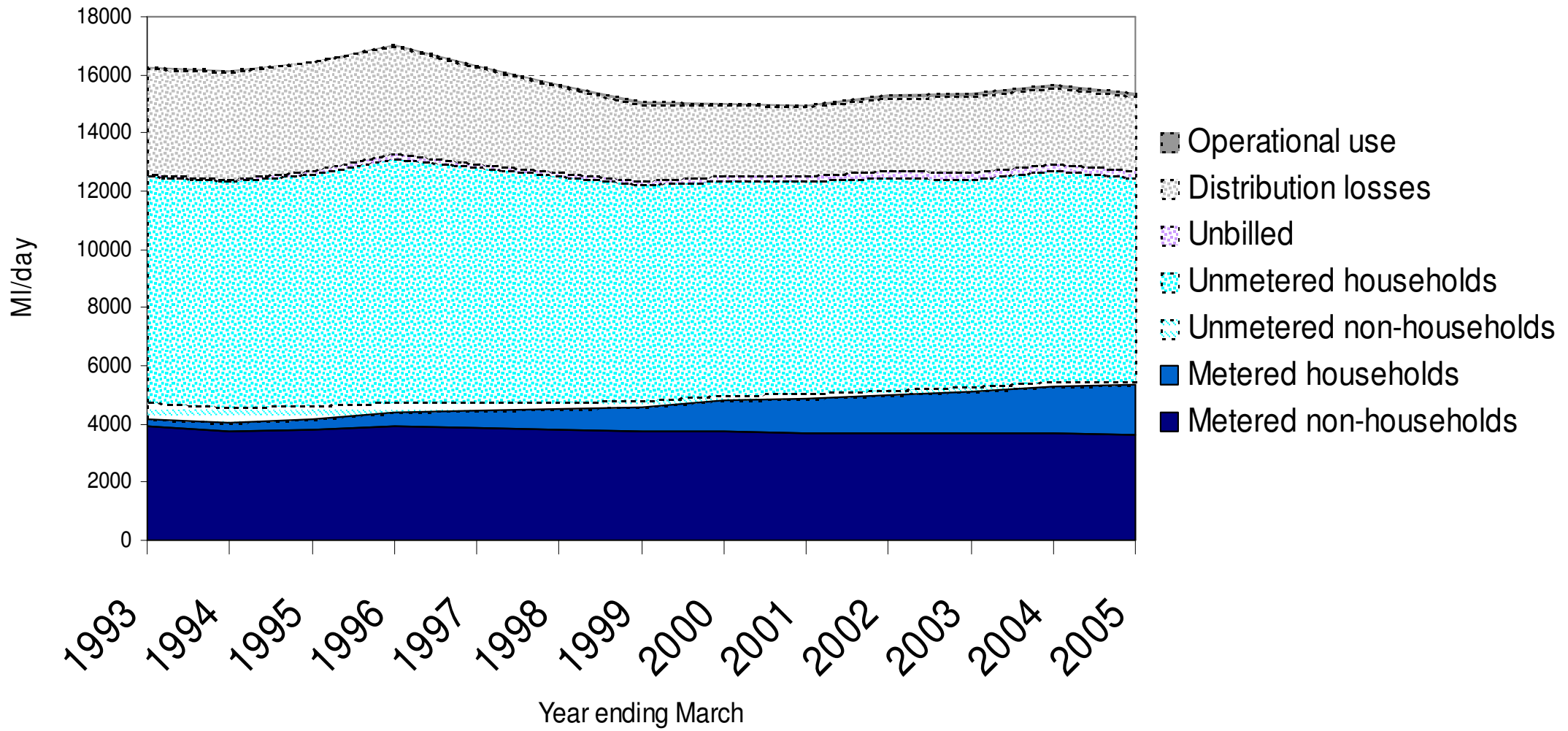
Scarcity of water resources by region

There are broadly four bands of water resource position across Britain:

- 1. The Environment Agency's Southern region (south of the Thames) has *the scarcest* supplies**
 - Its population has been rising strongly for over 100 years – due to internal migration southwards
 - The EA classifies nearly all aquifers and all summer surface water abstractions as 'unsustainable'
 - i.e. despite rising demand, these abstractions should be *reduced* from current levels
 - A little surface water is available in winter
- 2. The Eastern, Thames and South West regions are *generally short* of water**
 - Similarly strongly growing regional populations
 - Only small amounts available from groundwater
 - No summer surface water available at all
 - Some summer abstractions should be reduced
- 3. The Midlands and North West are *broadly neutral***
 - Lower net population growth
 - Little water available in summer or from groundwater
 - Surface water available in winter
- 4. Wales, Yorkshire, the North East of England and Scotland have *water generally available***
 - Even in summer
 - But large exports would require specific investments – and a market

The accuracy of information about water use in England and Wales

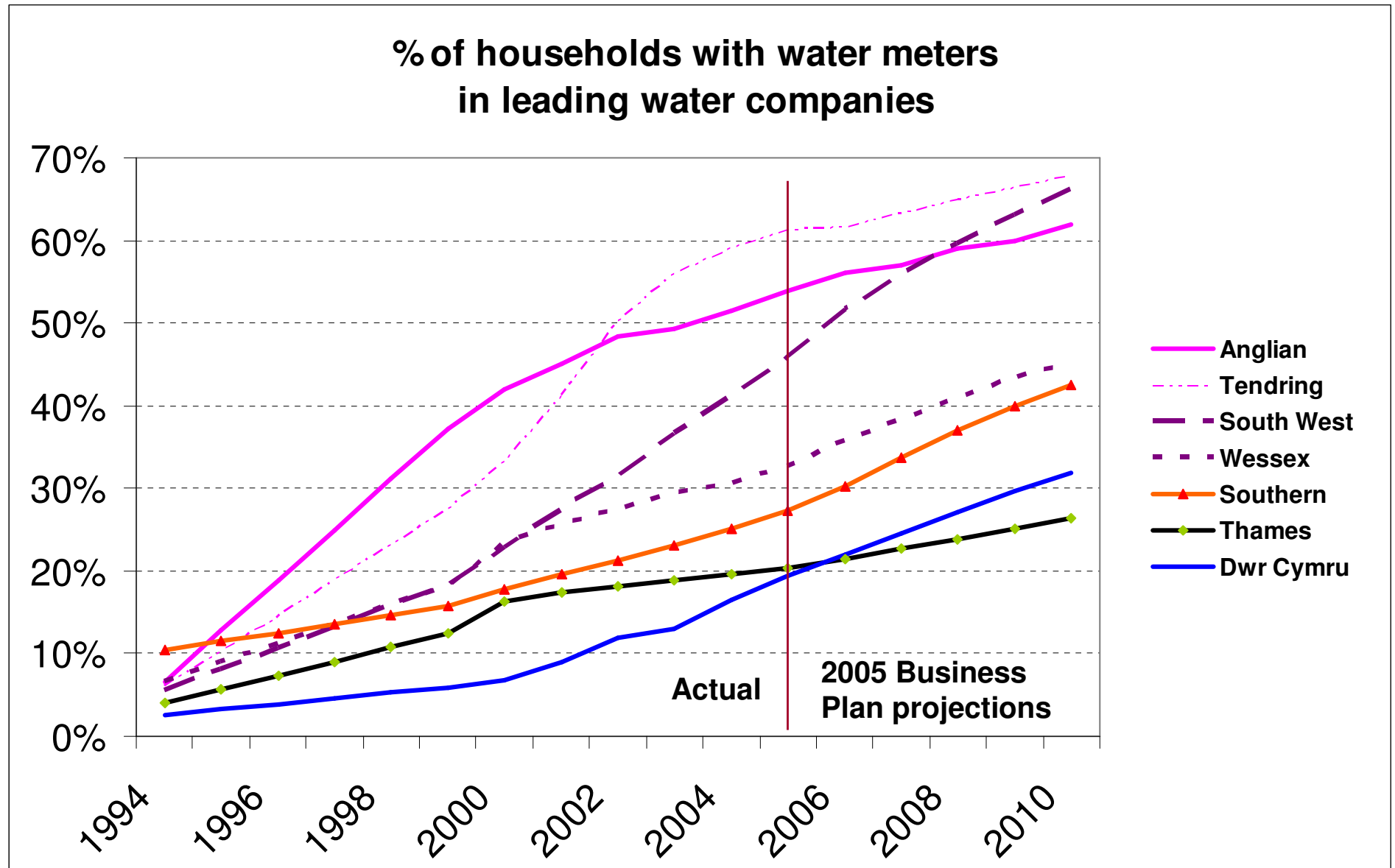
Drinking water consumption in England & Wales



Metering is essential to get an accurate picture

- **The only way to track water demands unambiguously is to meter customers**
- **Large industrial water users have always been metered**
- **Due to de-industrialisation their water demand has been falling for fifty years**
- **The rise of domestic metering has only just offset the trend of falling industrial demand in our post-industrial economy**
- **Water companies appear to have reduced leakage up to 2000 but do not seem *in aggregate* to have improved it much since**
- **However this is a national figure and includes northern regions where water is not scarce**
- **A policy aimed at encouraging metering to augment knowledge of water use in water-scarce regions would seem appropriate**
- **And within those regions the households that consume the most water should be metered first**

Plans for future domestic metering are ambitious in the east and south west, less so in the southern and Thames regions



National water metering policy: some provisional conclusions

1. **Water is most scarce in Southern England, followed by the eastern, Thames and south west regions**
2. **Metering is the only way to monitor final demand accurately**
3. **Three fifths of all Water Delivered in England & Wales is still not metered in 2005**
4. **The UK's post-industrial economy means that the critical element on which to focus is metering of domestic households. More households are being metered, but Southern Water will still have less than 50% of households metered by 2010**
5. **Thames Water will have fewer than 30% of its households metered by 2010 – less than Dwr Cymru**
6. **If water companies leave it entirely to customers' choice (a passive policy), the 'wrong' households in each region volunteer to be metered**
 - Households with lower than average consumption voluntarily choose meters
 - In 2005 26% of households nationally were metered but they only accounted for 20% of household water consumption
7. **A passive policy also acts slowly**
 - In companies with passive policies domestic metering has risen at 1½-2% of households a year over the last 10 years
8. **Overall not the best possible policy picture**
 - Metering conversion is not concentrated in the areas where it is most needed
 - The UK is metering the wrong households within each region
 - Passive policies act too slowly to help resource shortages in southern Britain
 - A case for more direct policy intervention?