

Environmental and Social Data Sheet

Overview

Project Name:	SOUTH WEST WATER & WASTEWATER AMP5-2
Project Number:	2012-0134
Country:	United Kingdom
Project Description:	South West Water (SWW) provides water and wastewater services to a population of 1.6 million people in the South-West of England, in the counties of Cornwall and Devon, as well as smaller areas within Dorset and Somerset. The investment programme was approved by the economic regulator OFWAT in 2009 as part of the expenditure programme for the regulatory period 2010-15 (Asset Management Plan 5). The investments are primarily driven by EU Directive compliance in the areas of wastewater, bathing waters and protection of aquatic life. In addition there is significant focus on reduction of flooding due to insufficient wastewater system capacity and creating efficiencies and energy recovery in operations, with benefits in terms of climate change resilience and mitigation.
EIA required:	No
Project included in Carbon Footprint Exercise ¹ :	No

Summary of Environmental and Social Assessment, including key issues and overall conclusion and recommendation

The Programme is strongly environmentally driven and therefore has predominantly positive effects on the environment. Most of the works to be carried out under the Programme are upgrades of existing equipment and facilities, reducing the overall impact of construction. None of the individual schemes under the Programme require a full EIA.

The Promoter has excellent environmental awareness and proven EIA practices. The Promoter generally complies with the requirements of EU EIA Directive 2011/92/EC, as well as Article 6 of the Habitats Directive 92/43/EEC. The Promoter is used to carrying out Environmental Impact Assessment procedures where required by the competent authorities and mitigating measures are applied as appropriate. An SEA was carried as part of a statutory Water Resources Plan. The quality and environmental regulators independently monitor compliance with effluent discharge permits and drinking water quality standards. The Programme is considered sound for EIB financing.

The Promoter shall not commit any EIB funds against schemes that require an EIA according to EU and national law without, prior to commitment, submitting the EIA and the non-technical summary of the EIA to the Bank for review and publication on the Bank's website. The Promoter shall not commit any EIB funds against any scheme without receiving consent from the competent authority regarding the Habitats directive and submitting the relevant forms to the Bank prior to the commitment of EIB funds.

Environmental and Social Assessment

¹ Only projects that meet the scope of the Pilot Exercise, as defined in the EIB draft Carbon Footprint Methodologies, are included, provided estimated emissions exceed the methodology thresholds: above 100,000 tons CO₂e/year absolute (gross) or 20,000 tons CO₂e/year relative (net) – both increases and savings.

Environmental Assessment

The Promoter is an appointed water and sewerage company. Statutory duties with regard to the protection of the environment are embedded within key legislation for the UK water industry, including duties in relation to conservation of biodiversity and natural habitats. Many of the investments derive from undertakings with the Environmental Agency and Drinking Water Inspectorate, who not only play a leading role in planning the investments, but also closely monitor implementation and operation. In particular, the promoter has built its investment planning on a Water Resources Plan, required under the Water Act, with a long-term view of the availability and demand for water throughout the service area, most recently prepared in 2009 and subject to a Strategic Environmental Assessment. A key element of the Water Resources Plan is an assessment against designated Habitats.

Compliance with applicable Environmental Legislation (national and EU), including EIA legislation is inherent to the definition of the investments programme, with close cooperation between the environmental and economic regulators. Specifically, the Promoter complies with the requirements of EU EIA Directive 2011/92/EC, as well as Article 6 of the Habitats Directive 92/43/EEC. The Promoter carries out Environmental Impact Assessment procedures where required by the competent authorities and mitigating measures are applied as appropriate. The quality and environmental regulators independently monitor compliance with effluent discharge permits and drinking water quality standards. The latter is assessed according to criteria in line with the EU Urban Waste Water Treatment Directive - UWWTD (91/271/EEC).

The Programme is strongly driven by environment and resilience of essential services. A large part of the investment programme is devoted to enhancing reliability and efficiency of water and wastewater infrastructure as well as their expansion. Substantial investments are being made in enhanced energy recovery from wastewater sludge, water demand management and in reducing the flooding of properties by strengthening the sewer systems, contributing to climate change mitigation and resilience. The Programme also includes catchment management measures, including restoration of wetlands to safeguard water supplies for the future under the so-called "Mires" project that expands a pilot project on Exmoor to other moors and farmed land.

Most of the investments are taking place on existing installations and they have limited local environmental impact. None of the individual schemes under the Programme require a full EIA, following screening studies and consultation with the environmental authorities. Some of the works require special consideration of local wildlife even where there are no special nature conservation areas.

Public Consultation and Stakeholder Engagement

Public consultation takes place at all levels of the definition of investments and their detailed roll-out, starting with consultation for the key planning documents such as the Water Resource Management Plan and proceeding with the definition of the major schemes during the scoping and implementation phase, which also includes definition of compensatory measures in local communities for disruption caused. Given the necessary tight controls of implementation in order to maintain delivery of the capital programme within the agreed regulatory timeframe, early identification and resolution of environmental consenting issues are crucial to delivery of the investment programme. In particular, it is sought to maintain close relationships with the competent authorities, the Environment Agency and Natural England, with identification of potential Habitats/EIA Directive issues already at concept stage.

Other Environmental and Social Aspects

South West Water operates an environmental management system in accordance with ISO 14001. Inter alia, suppliers are required to have formal environmental management systems appropriate to their size. An Ecologist & Environmental Planner is employed to give guidance on relevant legislation, appropriate surveys and environmental risk management, draw on other specialists within the Company for complementary skills. In general, South West Water has a proven track record in pursuing sustainable solutions, from sustainable procurement to developing holistic water management solutions.