RSPB Scotland welcomes the opportunity to submit views to the ICI Committee on the Draft Budget 2013-14 on aspects relating to Scottish Water. Water industry has a vital role to play in the management of Scotland’s water environment and it must ensure that all existing commitments to sustainable development, conservation of biodiversity, greenhouse gas mitigation and climate change adaptation are met. Scotland must step up to all of these commitments and address existing pressures on the water environment if it is to be a credible ‘Hydro Nation’ and international leader in water resources management. RSPB Scotland urges the Committee to clarify that funding proposed to promote the Hydro Nation agenda (£4 million per annum) will not detract from Scottish Water’s existing obligations to address water quality problems, deliver sustainable land management in drinking water catchments and drive down leakage.

Introduction

Scotland’s water resources are essential for providing drinking water, producing food, sustaining world-renowned businesses and supporting native biodiversity, all of which are dependent upon an unpolluted and abundant supply of water that is used sustainably. There is increasing recognition of the contribution that the natural environment makes to social wellbeing and the economy through ecosystem services\(^1\) and wildlife tourism and recreation\(^2\). The water environment in Scotland is under tremendous pressure from a range of factors including abstraction and impoundment for drinking water, irrigation and hydropower, and pollution from agriculture and sewage disposal\(^3\). The environmental impacts of these pressures have significant economic repercussions. Scottish Water has a key role to play in the sustainable development of Scotland’s water resources and they must be directed and resourced to do so.

Scotland - the Hydro Nation

The Committee is currently considering the Water Resources (Scotland) Bill which seeks to project Scotland as a Hydro Nation which will “support the good stewardship of water resources in an increasingly water stressed world\(^4\)”. To be a credible Hydro Nation, Scotland must lead by example and ensure that its water environment is protected and managed sustainably before it presents itself as a global leader in water resources management. To promote the Hydro Nation agenda, the Scottish Government proposes to make £4 million pa in 2013-14 and 2014-15 available from within Scottish Water’s existing budget. **RSPB Scotland would be concerned if this money was diverted away from tackling issues relating to water quality and quantity in Scotland, such as sustainable land management in drinking water catchments, tackling leakage and improving water use efficiency.**

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\(^3\) Scotland’s River Basin Management Plan 2009-2015

\(^4\) [Scottish Draft Budget 2013-14](http://www.rspb.org.uk/ourwork/policy/economics/casefornature/Economies/index.aspx)
**Sustainable land management and peatland restoration**

RSPB Scotland welcomes the shift towards a sustainable land management approach that was initiated through the allocation of £3million pa in the current investment period. It makes absolute sense for water industry to facilitate the positive management of upland and peatland areas, from where approximately 70% of drinking water supply arises, and to reduce pollutants at source rather than relying solely on end of pipe water treatment solutions. Scottish Water estimates that implementing best practice could save upwards of £10m over a 25 year period in one large drinking water catchment alone.

Following the announcement in the draft Budget of funding for peatland restoration, the Government has now stated that £1.7million will be made available through the Green Stimulus Package. While RSPB Scotland warmly welcomes this, we are keen to see this pledge to peatland restoration strengthened. We wish to see commitment to restore 600,000ha of blanket bog within 10 years and this will require the equivalent to £12million per year over 10 years (£120m in total). This is based on IUCN calculations of typical restoration costs of £100-300/ha although some damaged areas will cost more to restore to good habitat status. Costs of £13/tonne per tonne of CO2eq saved from peatland restoration are favourable when compared to other ways of carbon saving. Thus, peatland restoration is positive for a range of objectives not least water quality and carbon storage.

RSPB Scotland wishes to see the sustainable land management approach incorporated into Scottish Water’s core business so that peatland restoration and other land management measures are used to improve raw water quality and deliver economic, social and environmental benefits into the future.

**Water use efficiency**

RSPB Scotland urges that effort is invested in reducing leakage from water infrastructure and increasing water use efficiency in households and businesses. This would not only reduce pressure on the water environment but would drive down the energy use and greenhouse gas emissions associated with abstraction, treatment and pumping of water. While RSPB Scotland acknowledges the progress that Scottish Water has made in reducing leakage in recent years, we believe that leakage remains unacceptably high. During 2009-10, 704 million litres of water were leaked each day in Scotland. Moreover, we think that the target Economic Level of Leakage (ELL) of 612 million litres per day is still too high, placing unnecessary pressure on aquatic ecosystems and contributing to greenhouse gas emissions. We wish to see environmental and social costs properly valued and incorporated into the ELL model.

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5. [The Strategic Review of Charges 2010-2015: The Final Determination](#)
7. [Water Resources (Scotland) Bill Explanatory Notes](#)
8. [http://www.scotland.gov.uk/News/Releases/2012/10/Peatlands22102012](#)
9. [http://www.scottish.parliament.uk/business/pqa/wa-10/wa0806.htm](#)
10. *Scottish Water Carbon Plan 2010*
Steps must also be taken to improve efficiency within domestic and industrial sectors. Scottish Water’s Water Efficiency Plan for 2011-2015 recognises the benefits of reducing demand in terms of lowering operational costs and offsetting the need for future investment and, ultimately, being positive for customers’ bills\(^{11}\).

\(^{11}\) Scottish Water’s Water Efficiency Plan 2011-2015