

Water Companies & Rivers Trusts: levels of interaction and opportunities for future partnership

Summary Research Report



Prepared by Tamar Consulting on behalf of Water UK and The Association of Rivers Trusts

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1.0 Introduction & Background

Water UK and the Association of Rivers Trusts (ART) have identified potential advantages of closer strategic collaboration in the future between Water Companies and Rivers Trusts; to deliver a range of corporate, social and environmental goals of core interest to both parties. For Water Companies, increasing sustainability targets, corporate social responsibility commitments and future legislative drivers (e.g Water Framework Directive, Habitats Directive) are likely to require greater levels of support from third party organisations – such as Rivers Trusts - involved with water resources management at a local level. From the perspective of Rivers Trusts, assistance from water companies on both a financial and technical level could help in the delivery of numerous conservation and water resource protection goals which are at the heart of Rivers Trust activity across England and Wales.

This document highlights the key findings from a small scale exploratory research project, undertaken to identify current levels of collaboration between Water Companies and Rivers Trusts and perceptions from both parties regarding the merits of developing future partnership arrangements; and how such working relationships might be achieved.

The research methodology incorporated the use of semi-structured telephone and face-to-face interviews (1 hour duration) with senior management personnel from a selection of Water companies and Rivers Trusts, as outlined below:

Water Companies	Rivers Trusts
	Eden Rivers Trust
Northumbrian Water	Pembroke Rivers Trust
Severn Trent	Ribble Catchment Conservation Trust
Wessex Water	Tyne Rivers Trust
United Utilities	Wessex Salmon & Rivers Trust
	Wye & Usk Foundation

Please note that the above sample was selected from Water Company regions where Rivers Trusts are known to be active. Given the limited resources available for the research, it has not been possible to contact all regions with a Rivers Trust presence. We are, however, confident that the findings outlined within this report provide a flavour of the range of relationships which exist between Water Companies and Rivers Trusts across the country.

In accordance with the Data Protection Act and the Market Research Society's Code of Conduct, details relating to individual respondents and responses remain confidential and non-attributable.

The research was undertaken during November and December 2005 by Tamar Consulting on behalf of Water UK and the Association of Rivers Trusts. Please direct any enquiries relating to this document to Arlin Rickard at the Association of Rivers Trusts or Steve Ntifo at Water UK.

2.0 Main Findings

2.1 Current extent of interaction between the parties

Before identifying opportunities for future collaboration, a key research objective was to identify levels of current interaction between Water Companies and Rivers Trusts. Efforts were made to identify the type of partnerships already established, how these partnerships have developed historically and whether relationships can be regarded as *ad hoc* (developed by accident) or *strategic* (developed by design).

The feedback from respondents outlines a highly variable situation across the country; with some Rivers Trusts exhibiting close links with Water Companies whilst others have very little – if any – contact. An example of a seemingly strong linkage is between Northumbrian Water and the Tweed Forum where in addition to providing the Tweed Forum with on-going core funding, Northumbrian Water has a seat on the Tweed Forum steering group.

There appears to be little evidence of a positive correlation between the length of time a Rivers Trust has been established and the strength of the relationship existing with their local Water Company. Intuitively, it would be anticipated that the longer a Rivers Trust has been in operation, the greater the likelihood of closer linkage. A more important determinant appears to be individual personal contacts and personalities with the strongest relationships between Rivers Trusts and Water Companies tending to exist where individuals happen to have existing personal contact or happen to see ‘eye to eye’ on specific issues. Respondents cited several examples where a close relationship between a Rivers Trust and Water Company had been based on rapport between one or two individuals within each party. In situations where such individuals had moved jobs or retired, the relationships between their respective organisations had ceased to exist.

The precarious and often personalised nature of these relationships points to situation where collaboration between Rivers Trusts and Water Companies does not currently appear to exist on a strategic level; at least not in most cases. It became evident during the research that both parties have insufficient information on respective aims and objectives and tend to support one another – opportunistically - on an *ad hoc* basis to deliver specific projects rather than integrated rolling programmes. It is interesting to note that the majority of Rivers Trusts have tended to interact with grass roots or operational level personnel within Water Companies; not senior managers or board level Directors. This may well explain why a more strategic relationship has not so far developed and why Rivers Trusts have not tended to be included in Water Company corporate plans.

2.2 Current levels of Water Company support for Rivers Trusts

Despite the seemingly *ad hoc* nature of the relationship between Water Companies and Rivers Trusts in many parts of the country, Rivers Trusts have received considerable financial and technical support from Water Companies, examples of which are outlined below:

- Provision of office space and IT support free of charge
- Financial contribution to a salmon stocking programme
- Provision of free ecological data and 50% of cash for on-going monitoring
- Financial contribution for provision of educational display boards
- £10,000 cash contribution towards project funding
- ‘Soft loans’ to facilitate cash flow for large grant aided projects where grant paid in arrears

In nearly all cases, financial support has been on a one-off basis for specific projects with core funding not being forthcoming (a notable exception was encountered for the Tweed Forum – see above). Rivers Trusts do not report receiving financial assistance from Water Company charity donation funds, much of this money appearing to go to established recipients such as Water Aid. According to Water company respondents, however, there is no technical reason why Rivers Trusts cannot apply for such funding.

Water Companies have also been supportive in helping to provide match funding to Rivers Trusts engaged with European funding programmes which require financial contribution in order for EU funds to be drawn down. It appears that an opportunity exists for Water Companies to work with Rivers Trusts to access far more EU funds than are currently being acquired at present; with potentially huge benefits to all concerned.

An important point to note here, when considering future support from Water Companies, relates to how Rivers Trusts are perceived by Water Companies and the value Water Companies feel they can derive from supporting Rivers Trusts. It became evident during interviews with Water Company personnel that Rivers Trusts are – in general – considered to be fisheries focused with one respondent making reference to ‘voluntary charitable fishing clubs’ whilst another cited ‘the tweedy set’. This limits their ‘supportability’. For Rivers Trusts to achieve wider appeal, and attract greater levels of funding accordingly, it seems that Water Companies need to be made aware of the much broader work undertaken by Rivers Trusts. Water companies see the potential for Rivers Trusts to undertake a spectrum of activities (see Section 2.3) and appear willing to provide appropriate funding. The onus may be on individual Trusts to make local Water companies fully aware of the range of work they currently undertake; or could undertake in the future subject to receiving sufficient support and encouragement.

2.3 Attitudes towards future partnership working

Respondents were asked to identify ways in which Water Companies and Rivers Trusts might benefit from future collaborative working arrangements. Water Company representatives were tasked with considering how Rivers Trusts could assist their corporate objectives and were provided with an overview of the type of work undertaken by Rivers Trusts to assist their thinking. Rivers Trust respondents provided views on how Water Companies could help them with their organisational goals.

2.3.1 How Water Companies feel they can be supported by Rivers Trusts

Water Company representatives felt there were a number of ways Rivers Trusts could provide a supporting role. The key activities mentioned are outlined below:

Identify pollution risk areas – Water Company representatives stated that, given their ‘on the ground’ awareness and knowledge of localised pollution risk sites, Rivers Trusts could help Water Companies identify risks, thereby pre-empting future problems from occurring

Tackle pollution issues at source – in addition to identifying risks, Water Company representatives considered Rivers Trusts to have a significant advisory role to play in dealing with pollution issues (e.g sheep dip) at source by engaging with relevant stakeholders and providing appropriate advice. Those Rivers Trusts adopting a catchment management role were perceived as particularly valuable by Water Companies.

Assist with community engagement – Rivers Trusts are considered potentially very useful brokers between water companies and stakeholder groups to ease the introduction of contentious plans, consult with local interests and provide introductions to key local community groups

Lobby OFWAT – where Rivers Trust and Water Company objectives coincide, Water Company respondents felt Rivers Trusts might be able to provide political support to Water Companies when lobbying OFWAT for changes; e.g. in AMP spending rules

Contribute to Water Company Corporate Social Responsibility credentials – a perception exists that Rivers Trusts could help water companies considerably with their CSR agenda

Assist with Public Education Programmes – Rivers Trusts already deliver a plethora of public education initiatives, many of which revolve around raising awareness of the water cycle. Supporting such activity would help Water Companies meet their own education targets

Raise money – Water company representatives felt Rivers Trusts could play a key role in accessing funds (EU and other) to undertake projects of key strategic interest to Water Companies but which lie outside OFWAT funding rules e.g. wetland restoration

When considering the potential benefits of working with Rivers Trusts, Water company respondents were asked for their views on possible advantages of outsourcing the management of amenity land (and accompanying recreational facilities) to Rivers Trusts. A variation on the South West Lakes Trust (SWLT) model was discussed as a potential template. It is interesting to note that all Water Companies contacted are actively looking at the SWLT as a possible option for managing property resources. Reactions to the concept of Rivers Trusts taking over the management of these assets were mixed, the considerable advantages of offloading operating costs being weighed up against possible loss of control to ‘external autonomous agents’. The type of asset is important. Wessex Water, for example, appears to encourage Wildlife Trusts to lease land with ‘conservation value’ but not land which has ‘operational importance’ (e.g. land surrounding reservoirs, bore holes etc).

In all cases, however, the idea was considered worthy of further detailed investigation to look at the specifics of leasing arrangements, statutory implications, management structures, liability and branding. It is worth noting that the Association of Rivers Trusts is currently assisting numerous parties across the country with the formation of new Rivers Trusts and would be pleased to provide advice to Water Companies interested in developing such initiatives.

2.3.2 How Rivers Trusts feel they can be supported by Water Companies

Whilst Rivers Trusts have proved extremely successful at raising money to finance their activities, most - if not all - Trusts suffer from fluctuating income streams, which makes forward planning very difficult. Rivers Trusts appear keen to explore how Water Companies may be able to assist them financially; either directly or indirectly. Three forms of financial support are envisaged:

Provide information on AMP spending cycles – with a view to writing funding applications for specific projects, Rivers Trusts are keen to apply to Water Companies for match funding. However, in order to optimise the timing of funding applications, Rivers Trusts need to know when water companies will have match funding available. This in turn, requires an understanding of the AMP spending profile

Underwriting overdrafts and guaranteeing loans – given that uneven revenue streams are a characteristic of many Rivers Trusts, cash flow can be a significant problem; necessitating the use of overdraft facilities or loans. Being able to call on Water Companies to underwrite such facilities would be extremely helpful and would reduce the management time required to seek guarantors.

Provide core funding – maintaining a core team of professionally qualified staff is vital if Rivers Trusts are to undertake longer term programmes. Premises and equipment add to this overhead. Nearly all grant funding streams available cover project costs but very few enable core overheads to be recovered; leading to a funding gap. Provision of on-going core funding would prove immensely helpful to Rivers Trusts, particularly those in the early stages of development, and was regarded by Rivers Trust respondents as the most valuable form of support Water Companies could provide in the future

In addition to providing financial assistance, Rivers Trust respondents were keen to stress there are a number of non-financial (technical) routes through which Water Companies can support them:

Provision of data and GIS support – Rivers Trusts are becoming increasingly involved in developing a range of hydrological and ecological models and establishing river improvement projects; the development of which depend on a plethora of datasets relating to rainfall, water quantity and quality. Many examples already exist where Water Companies have provided Rivers Trusts with data. This is a trend Rivers Trusts would like to see develop in the future

Publicity – Given that Rivers Trusts are SMEs with no bespoke publicity, PR or communications personnel, the ability to make use of such resources from within local Water Companies would be highly valued. Having access to Water Company publications and marketing materials to publicise Rivers Trust activity and brands is regarded as a particularly attractive proposition

3.0 Conclusions & Recommendations

Based on the findings outlined in this summary report, there is a willingness on the part of both Water Companies and Rivers Trusts to work with each other in the future. Existing contact between the two parties is variable across the regions. Where contact has been minimal, both Water Company and Rivers Trust representatives are keen to improve communication.

Even where contact has been more regular, there appears a lack of detailed understanding by both parties relating to respective spheres of activity, aims and objectives. Water Company awareness of Rivers Trust activity is especially low, particularly amongst senior Water Company personnel.

Both parties can identify a number of advantages in collaborating to deliver mutually beneficial outcomes. There appear to be a range of ways each party can assist the other. What is required is a more strategic relationship involving regular communication and better information sharing, if needs be linked to some form of Memorandum of Understanding.

In order to accelerate the development of strategic Water Company/Rivers Trust relationships, it is recommended that Water UK and the Association of Rivers Trusts encourage Rivers Trusts to recruit Water Company senior executives as Trustees. In addition, Water Companies may wish to invite Rivers Trust representatives to sit on Water Resources Planning Committees.

It is also recommended that following this initial research exercise, Water UK and the Association of Rivers Trusts consider convening a seminar to discuss the results and how to develop some of the points highlighted into tangible outcomes. The respondents involved in this study should be invited to the event together with interested parties from other Water Companies and Rivers Trusts.