










Photo by Karen Roe

*It provides
an excellent model
of an applied
PES scheme
for water companies.*

COMPANY IDENTITY

	Upstream Thinking (South West Water)	Name
	UK	Country
	www.upstreamthinking.org	Web site
	2006	Starting year
	2,400,000€ (average figure)	Annual turnover
	Mature/Stable	Current status
	Regional	Market scale
	Coasean-type agreement	Market-based instruments
	Water Industry Achievement Awards 2009 (Sustainable Drainage and Flood Management Initiative of the Year) Golden Green Apple Award 2011 (Exmoor Mires Project) Water Industry Achievement Awards 2012 (Partnership Initiative of the Year) Finance for the Future 2012 (Large Business) Utility Industry Achievement Awards 2012 (Environment Award) Chartered Institution of Water and Environmental Management 2013 (Living Wetlands Award) Water Industry Achievement Awards 2015 (Data Project of the Year)	Awards

FROM IDEA TO BUSINESS



Upstream Thinking is a flagship environmental programme, funded by South West Water and delivered by several Non-Governmental Organisations, to protect tap water quality at the source by working together with farmers and land-owners to improve agriculture, restore wetlands and reduce pollution. It was the first project of its type in the UK to work on assets not owned by the company. Similar projects are now being adopted by other UK water companies.

Benefits are measured across the partnership through both delivery partner monitoring and academic research. Benefits include the direct savings and reduced risks to the Water Company as well as wider environmental benefits to biodiversity and improved carbon sequestration.

For the period 2015-2020, Upstream Thinking has developed an extensive programme of catchment management which will benefit the water going into 15 water treatment works belonging to South West Water, supplying 310 million litres/day, or 72% of the region's tap water.

Working across 11 catchments, the programme aims to help 750 farmers to put 1,300 ha into revised management. With ongoing support from the Environment Agency and Natural England, the programme hopes to undertake improvements totalling around 20 million Euros over the period.



It is part of a long term sustainable approach to managing costs by reducing ongoing maintenance or delaying large capital investments, helping to keep customers' future bills down.

ACTORS INVOLVED



Private (South West Water)
Public (EA - Environmental Agency, NE - Natural England, NPAs - National Park Authority, HE)

Promoters



Private (South West Water)
Public (Exmoor and Dartmoor National Park Authorities, EA and NE)
Civil society org. (Westcountry Rivers Trust, Devon Wildlife Trusts, Cornwall Wildlife Trust, Westcountry Rivers Trust)

Developers



Private (South West Water)
Public (Funding for developmental costs came from the EU Interreg France (Channel) England IVB project called WATER EA(FCRM), NE (CSS) and National Park Authority supported)

Investors



Public:
• NGOs (Exmoor National Park and Westcountry Rivers Trust from 2008; Devon Wildlife Trust and Cornwall Wildlife Trust from 2010)

Other actors

Mix private/public:
• Partner (Exmoor Mires from 2008)

IMPACTS



positive: improved relationship between stakeholders, farming community engagement and education.
negative: no researched evidence, but use of partners as 3rd party agents in catchments improved reputational benefits of SWW/partners.

Social

positive: resilience in quality and supply of raw water at drinking water treatment works, reactive presence on the ground in catchments. Reduced chemical use, sludge disposal costs, pumping costs and carbon costs. Capital grants for on-farm infrastructure (2008-2015) 1,700 visits to farms, and allocated 180 capital grants to farmers totalling 2.6 million of Euros.

Economic

positive: the programme has two areas of work, lowland farms and upland peatland. Both areas have shown significant biodiversity improvements.

Environmental

positive: embedding catchment management for resilience and quality of water supply within a water company business plan supported by Defra and Ofwat. Development of internal governance, contractual and accounting developments to enable the business delivery.

Institutional

MAIN WEAKNESSES



Labour intensive, not practical to visit all farms, the prioritisation and targeting had to be developed and the potential for all the funds to be used on high value investments such as new stocking sheds and slurry storage.

FUTURE DEVELOPMENTS



A further 17 water supply catchments were investigated to determine the Upstream Thinking approach to be included in the next round of water company funded activities from 2015-2020. 11 catchments were chosen. Business requirements and risks, catchments and activities for the next business planning period (2020-25) are now being considered.