SOLAR SAVE OUR LANDS AND RIVER

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To: The Leaders and key Councillors of the London Borough of Richmond upon Thames and the Royal Borough of Kingston upon Thames

From: SOLAR – Ian McNuff, Resident of the London Borough of Richmond & Richard James, Resident of the Royal Borough of Kingston

Date: 22 June 2026

Subject: Request for a Joint Council Statement Challenging the Economic and Environmental Justification of Thames Water's Teddington Direct River Abstraction (TDRA) Scheme

Dear Councillors,

We are writing to you on behalf of SOLAR and as residents of Richmond and Kingston to urge you to agree a formal, joint challenge statement to Thames Water regarding the TDRA scheme.

We are doing so because we have uncovered a set of financial calculations used by Thames Water – but never explained to the public – that show this scheme will, in reality, be the most expensive water scheme in the UK, and not the bargain solution Thames Water has always claimed. That claim is financial fiction, and we explain why below. But first, some context.

For over three years our campaign has raised serious concerns about how Thames Water arrived at its "Preferred Best Value" designation for this scheme, selected from around 1,400 options it says it evaluated. Thames Water has never shared the detail behind that claim and has turned aside requests to see its workings. The Best Value model considers cost, environment, social/health impact, carbon and other factors – but cost is assessed first, with the other factors then checked to see whether they change the cost-based outcome. The cost element is therefore the crucial one.

Thames Water's claim that TDRA is a bargain is financial fiction.

In any infrastructure project – road, rail or water – there is a standard financial efficiency metric used to compare the cost of a scheme against its benefit. In the water industry this is Average Incremental Cost (AIC) per cubic metre of water: you add up all capital expenditure, operating expenditure and financing costs over the lifetime of the assets, then divide by the planned benefit – in this case, the volume of water supplied, in cubic metres.

Strict rules govern how both costs and benefits are discounted over multi-decade investments. These rules are set by the Treasury for investments such as TDRA, under the Green Book, and the resulting comparator for the water industry is expressed in pence per cubic metre of water.

Thames Water has consistently marketed TDRA to the councils and the public as a "least cost" bargain, priced at 68.9p per cubic metre of water (Thames Water's latest published figure, from its December 2024 Gate 3 submission to RAPID – the Ofwat-led body that oversees these projects and allocates taxpayer funding for the necessary project work).

Thames Water has applied the Green Book discounting rules correctly, but the 68.9p figure is misleading. It is only achievable if the plant runs at 100% capacity, 365 days a year, every year for 80 years. Thames Water has used that 100% utilisation assumption to calculate the water volume benefit (the denominator), which inflates it well beyond what the scheme will actually deliver – and this drives the 68.9p figure.

Yet Thames Water has separately, and consistently marketed TDRA as an "emergency-only" asset, to be used "once every two years." Its own operational charts in the same Gate 3 report show a planned average annual use of 45 days. That gives a true operational utilisation of around 12%, not the 100% Thames Water has used in its cost calculation.

When the AIC is adjusted for that true utilisation, the real cost to bill-payers rises to 512p per cubic metre – over 7.4 times higher than the figure Thames Water has published. 512p also means TDRA is the most expensive large water scheme in the UK.

There is one regulatory point worth flagging, which we believe Thames Water may be relying on as a backstop justification. A 2002 paper on water supply and demand remains an underpinning document for water management, and RAPID has stated that "for emergency use assets, using capacity is more appropriate." We can find nothing in the regulations that defines where this principle starts and stops. The thinking is presumably the fire-extinguisher analogy: you pay for the capacity, not how often you use it.

We don't believe that logic holds here. Given how uncertain future water supply is, what residents need is reliable, year-round supply – not standby capacity. And even judged purely on Thames Water's own capacity logic, bill-payers are still being asked to pay several times the headline price for the same guaranteed volume of water. Either way, bill-payers lose out.

We have written to Thames Water, the regulator and other bodies involved in overseeing water scheme selection to ask how this can happen; those letters are on our website. Munira Wilson MP has also written to Emma Reynolds, Secretary of State for Environment, Food and Rural Affairs, on this issue.

This cost issue compounds a number of other serious concerns about TDRA that remain unresolved:

- Planned water quality for the treated sewage falls below standards applied in Europe.
- Four years of building disruption on Burnell Avenue and the surrounding area.
- Repeated redesign proposals from Thames Water – the latest of which clearly increases cost, with no details shared.
- Wholly unsatisfactory consultations, in which resident questions have gone unanswered. Last year's larger consultation drew 14,735 responses – more than ten times the norm for an infrastructure scheme of this kind – and Thames Water has failed to publish the results.
- Material concerns about operational reliability: Thames Water has said that if Teddington Weir overtops, pushing treated sewage upstream, it will turn the abstraction off – meaning a "resilience" asset that is not, in fact, resilient.
- The award of bathing water status immediately adjacent to the proposed site – an opportunity to develop the area as a destination of choice for local residents and the 12 million people who live within an hour's travel.
- No details have been produced about Thames Water's planned new abstraction development and cumulative impact at the old Seething Wells site, nor the River Thames Scheme, and the plan to stop using the Thames Barrier for fluvial flooding, which would raise water levels at Teddington by a planned one metre.

Crucially there are credible, and much cheaper, alternatives, which SOLAR has identified and referred to Thames Water.

Direct impact on our boroughs

Thames Water is asking residents to fund a wholly avoidable, high-cost scheme – by way of example, TDRA is roughly ten times more expensive than available alternatives such as Severn Trent's Minworth water recycling scheme. We believe residents, and you as councillors, have been seriously misled.

TDRA is also a non-scalable scheme. As well as looking egregiously expensive, it cannot adapt to the major uncertainties ahead – climate change, population growth, business growth such as data centres, and environmental needs. Alternative schemes can, because they can be built in a modular, scalable way.

What this exposes is a Thames Water strategy built around growing its balance sheet, with little real regard for what customers pay, the environment, or the actual purpose of the investment: a secure water supply. Thames Water's incentive is to build more assets, to support more borrowing and more cash extraction.

Our request

TDRA is no longer just an environmental threat; it is a profound financial failure that asks your residents to fund the most financially inefficient water scheme in the UK.

We ask that Richmond and Kingston Councils issue a Joint Statement of Significant Concern, demanding that Thames Water review and publish the "Best Value" scores and methodology, and replace its current modelling with a realistic financial model based on what the scheme will actually deliver – not a phantom set of calculations. We understand you will want to be confident in the evidence before taking this step, and we would not have written to you unless we were confident in it ourselves. We would welcome the opportunity to brief you and your officers in person on the detailed data behind these findings.

Now is the time for our two boroughs to stand together to protect residents from an unnecessarily expensive scheme, when better alternatives exist. We look forward to hearing from you.

Yours sincerely,

Ian McNuff and Richard James For and on behalf of SOLAR